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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Weekly Roundup on Regional Drug Seizures

PA1012021590

[Editorial Report] Following is a compilation of reports on drug seizures and arrests related to drug trafficking in bureau coverage area from 2 to 9 December 1990. Source follows in parentheses after each item.

Colombia

On 4 December, the Colombian police seized 300 kg of cocaine and arrested 18 persons in a rugged area in the southern intendancy of Putumayo, where authorities found nine drug processing laboratories and five clandestine airstrips. (Hamburg DPA in Spanish 2330 GMT 4 Dec 90)

Police in Cesar Department have seized 15 tons of pressed marijuana that was packed and ready for export to the United States. No one was arrested in the operation, however. (Bogota EL NUEVO SIGLO in Spanish 1 Dec 90 p 24)

Mexico

The Attorney General's Office, PGR, has reported that on 3 December, members of the Federal Judicial Police [PJF] arrested Juan Manuel Torres Corona and Carlos Gutierrez as they were driving a truck with more than a ton of marijuana in the town of El Limon, Huetamo Municipality, Michoacan. The two men told police that they were taking the shipment to Tamaulipas, from where it was to have been smuggled into the United States. (Mexico City NOTIMEX in Spanish 2104 GMT 3 Dec 90)

Jose Luis Larrazolo Rubio, PJF Commander for Michoacan and Queretaro States, has reported that policemen intercepted a trailer carrying 1,013 kg of marijuana and arrested four men in the municipality of Tiquicheo, southeast of Morelia. (Mexico City NOTIMEX in Spanish 1943 GMT 4 Dec 90)

Police authorities have reported that 754 kg of 90-percent pure cocaine was found in an airplane in the municipality of Teocuitatlan, 90 km southeast of Guadalajara. Residents of the area said that three heavily-armed men had been seen fleeing into the jungle. The Rockwell twin-motor airplane, which was recently painted, is registered in Colombia under XB-D-IV. (Mexico City NOTIMEX in Spanish 0317 GMT 5 Dec 90)

PJF officers have raided the home of suspected drug trafficker Jose Madrigal Machado in the Santa Maria neighborhood of the city of Mexicali and seized 219 kg of cocaine paste. (Mexico City NOTIMEX in Spanish 2202 GMT 5 Dec 90)

Cuba

Vice Minister Comments on Bush Tour, Gulf

PA0812194190 Madrid EFE in Spanish 0206 GMT 8 Dec 90

[Text] Havana, 7 Dec (EFE)—Cuban Vice Minister of Foreign Affairs Alcibiades Hidalgo said today that U.S. President George Bush's tour of several Spanish-speaking countries is a renewed attempt to impose authoritarian and imperialist ideas on the region.

Hidalgo, who met today with a group of Spanish reporters, said that the U.S. Administration's so-called Initiative for the Americas will not solve the continent's economic problems.

The conditions imposed by the United States for the concession of loans and resources, he added, calls for the different countries to surrender parts of their sovereignty.

In the vice minister's opinion, the neoliberal trend followed by the U.S. economy simply implies the surrender of national riches (by the Latin American countries) to private capital.

Concerning bilateral relations with Spain, Hidalgo gave assurances that the Cuban Government wants to fully normalize these relations, but pointed out that the unblocking of economic aid is a decision that the Spanish Government must make.

Hidalgo praised King Juan Carlos I, whom he said is undeniably linked to the establishment of democracy in Spain and, to this effect, is acknowledged by Cuba.

Concerning the celebration of the fifth centennial of the discovery of America, Hidalgo pointed out that Cuba has its own ideas, but he said that this does not imply that it will maintain a reticent or disrespectful attitude.

The Cuban leader underscored that the UN resolution authorizing the use of force against Iraq if it does not withdraw from Kuwait prior to 15 January, proves the urgent need to democratize the United Nations in order to increase the participation of the Third World countries who joined after achieving their independence.

Hidalgo explained that Cuba refuses to link the solution of the Persian Gulf crisis to the Palestinian problem because to do so would delay an immediate solution of the conflict caused by Iraq's invasion of Kuwait.

Concerning his country's internal situation, the vice minister said that to ask Cuba to adopt a multiparty system is equal to asking it to open its doors to U.S. influence and to surrender the achievements it has made.

We will make the necessary changes without pressures or deadlines, because to do otherwise would imply that there is some interference in our internal affairs, he said.

Commentary Hits Bush's Americas Initiative

FL0712193890 Havana Radio Rebelde Network in Spanish 1800 GMT 7 Dec 90

[Station commentary]

[Text] Cuba has clearly defined its stand on President Bush's Initiative for the Americas, which is nothing more than the old U.S. plundering policy. The common line of defense needs to be organized once more. It is not a matter of extreme anti-Americanism as the U.S. President has characterized the Cuban stand on numerous occasions. It is—Mr. Bush should know this deep down—that Cuba will never make a common cause with or give opportunistic applauses to its alleged imperialistic panaceas for our people.

We know those worn out formulas too well. They are the same, although wrapped differently, as the ones that have taken Latin America and the Caribbean to the current state of crisis, poverty, and despair in which they are now. No one other than Cuba has made such hard and persistent efforts to point out the need for unity in its own area. We have always defended that need, even in the case in which we were to be excluded, even in the case in which some—because they are flunkies or cowards—consider this country incompatible with the inter-American system because of the great sin—some sin—of having wiped out poverty, poor health, ignorance, and lack of schools, hospitals, and medical services; for having faced the shame of racial and sex discrimination; for having offered each man and woman a decent job; and for fully giving back to each citizen the pride lost in over half a century during the pseudo-republic.

It is clear that the United States could not persuade us with those rotten free market neoliberal initiatives, which are false, and the promises of foreign investment and lightening of the debt with ridiculous percentage rates. The facts and figures are available to all. This is why the time calls for not allowing to be persuaded by the new song and dance. Latin America should oppose the new clawing, which has already been in the words, by demanding authentic solutions to its unbearable problems.

The Bush initiative does not respond to the healthy interest of finding solutions to the problems Latin America is suffering from. Such initiative actually responds to the stick and carrot unhealthy political goal. In essence, it is a neo-colonizing scheme. Within this framework, to express it in the words of U.S. President George Bush himself, Cuba can be considered an exception.

Commentary Criticizes U.S. Action in Panama

PA0912012790 Havana International Service in Spanish 0100 GMT 7 Dec 90

["Our America" commentary read by Manolo Ortega]

[Text] The current situation in Panama—a country that has been occupied by U.S. troops for almost a year—is filled with convulsive events. A marked contrast can be observed between the people's demands for their rights and the government's capitulating and fearful behavior. The people's actions to attain their demands, which had been scheduled since November, began on 4 December, with more than 125,000 workers marching through the streets of Panama City. On 5 December, the workers held a strike that managed to paralyze several sectors and that, according to the union leader's final account, was 80 percent effective in the Panama City area. The strike was organized by the National Coordinating Board for the Right to Life, which groups together several unions, after government officials suspended the talks with workers in November. The workers had presented the government with a list of 13 demands after a huge workers' march in October.

The unions are demanding an end to widespread dismissals, payment of what is called the 13th month bonus, and the annulment of government bills to reform the current labor and social security laws. The workers are also opposed to the policy of privatizing government institutions, and the government's plan to pay the foreign debt despite the serious crisis the country is facing.

It must be underscored that despite the workers' strike and demands, the executive branch has persistently rejected dialogue, and has announced renewed sanctions against the labor movement. Thus, it would not be surprising if the demonstrations were to continue. It must be said, nevertheless, that the previous march and strike were carried out amid a tense situation, and the government attempted to link the labor protests with actions led by Colonel Eduardo Herrera, beginning with his spectacular escape from a jail near the U.S. military bases.

Herrera apparently became the spokesman for a group of Public Force members who staged an uprising and later entrenched themselves in the main headquarters of the National Police, where they issued a list of demands to the authorities. From this point on, the government once again revealed its defeatism. President Guillermo Endara promptly called in Southern Command troops who, in their usual showy fashion, arrested and disarmed the mutinous soldiers as they walked to the legislature to state their demands.

At first Col. Herrera managed to escape the U.S. operation, but he was later captured in a poor Panama City neighborhood. As if to ensure that there would be no doubt concerning the Panamanian Government's request, the Southern Command issued a communique arguing that the action had been carried out at President Endara's behest, and this was later confirmed by Deane Hinton, the U.S. ambassador to Panama.

Some labor leaders feel that Endara's action was a serious attempt against democracy, and that it is worrisome for the working class because in similar situations they could be repressed by American troops.

Broadcast Deal With ABC for Pan-American Games

PA0812225690 Paris AFP in Spanish 2055 GMT 8 Dec 90

[Text] Havana, 8 Dec (AFP)—Executives of the U.S. ABC Television Network will arrive in Havana on Monday, 10 December, to sign a contract to broadcast the 11th Pan-American Games to be held in August 1991, Jose Ramon Fernandez, vice president of the Cuban Council of Ministers, has told AFP. "I can say no more," Fernandez remarked. He is the chairman of the organizing committee for the Pan-American Games (Copan-91). "I hope someday the clauses (of the agreement between ABC and the U.S. Government) will be published, but they ask us not to disclose them."

In 1989, Cuba authorized ABC to broadcast the games, but the U.S. Treasury Department turned down a permit request because the laws of that country bar commercial relations between U.S. companies and Cuba.

On 4 December, ABC made the surprising announcement in New York that it had received authorization based on a proposal Washington "considered acceptable."

"The agreement is subject to strict nondisclosure of the clauses," a top ABC executive noted.

Copan-91 Chairman Fernandez told AFP that the television signal for the Pan-American games "will beam to the United States and Canada approximately 20 hours of live coverage and over 40 hours on cable television, which constitutes a victory for sports in America and a victory for all."

Fernandez, who was relieved by the Cuban Government of his duties as Education Minister to devote his full attention to organizing the games, avoided attributing political significance to Washington's permit for ABC. Referring to the hostility that has existed for the past 30 years in Cuban-U.S. relations, Fernandez noted: "It is not our fault, because, as a rule, we have reacted to the imposition, arrogance, and domination of the powerful, which in this case is the powerful northern neighbor."

"To find a reasonable modus vivendi, even seeking what can be mutually useful and can bring us together, and avoiding the things that separate us and being understanding and tolerant of others, could contribute toward a more harmonious existence in this area of the world," he remarked.

PLO 'Foreign Minister' Arrives for Talks

FL0712130090 Havana Tele Rebelde Network in Spanish 1200 GMT 7 Dec 90

[Text] Palestinian Foreign Minister [director of the PLO Political and International Affairs Departament of the PLO Executive Committee] Faruq Qaddumi today accused the United States of blocking a UN draft resolution on the Palestinian problem. Qaddumi arrived today at the Jose Marti Airport where he was welcomed by Cuban Foreign Minister Isidoro Malmierca. They exchanged views on the delay of the resolution's approval.

The draft resolution was submitted before the Security Council recently by Cuba, Colombia, Malaysia, and Yemen. Its discussion was postponed for this afternoon because of the U.S. maneuvers. The Palestinian foreign minister will hold official talks with his Cuban counterpart during a work visit which will end on Tuesday.

Qaddumi Welcomed by Malmierca

FL0712221590 Havana Radio Reloj Network in Spanish 2054 GMT 7 Dec 90

[Text] This morning, official talks were held at the Foreign Ministry in Havana between the delegations of Cuba and the Palestinian State to mark the arrival of Foreign Minister Comrade Faruq Qaddumi.

The meeting, presided over by Cuban Foreign Minister Isidoro Malmierca and his Palestinian counterpart, dealt with several topics, including bilateral relations, the Palestinian people's struggle, the course of the intifadah, the U.S. military presence in the Persian Gulf, and other topics.

At noon, Foreign Minister Malmierca introduced members of the diplomatic corps accredited in Cuba to Faruq Qaddumi, who arrived on an official visit last night, accompanied by 'Isam Kamil, PLO representative in Spain. The Palestinian chief diplomat will hold official meetings in Havana. On Tuesday he will plant a tree of friendship in the Botanical Garden.

Comments on Intifadah, Persian Gulf

FL0812041690

[Editorial report] Havana Tele Rebelde Network in Spanish at 0200 GMT on 8 December on its "Optica Internacional" program carries a live 29-minute interview with Faruq Qaddumi, director of the PLO Political and International Affairs Departament of the PLO Executive Committee, by an unidentified program host with simultaneous translation from Spanish to Arabic and vice versa.

The host introduces the program by asking Qaddumi to explain the results of the intifada, noting that the month of December marks the third year of that Palestinian rebellion. Qaddumi replies that although the intifada is only three years old, the Palestinian "revolution" dates from 1965. He gives a historical account, saying that it has achieved great results in its main objective of "facing up to the Israeli occupation of Palestinian territory, and reaffirming to the world that the Palestinian people are determined to end that occupation." He criticizes Israel as a racist state and says it has been able to maintain its hardline position in the occupied territories only because of the support it receives from the United States, "but it will not be able to maintain it indefinitely." He says the United States and Israel are the main obstacles to peace in the Middle East.

Asked about the present Persian Gulf conflict, Qaddumi says that "the crisis in the Gulf has developed as it has because of the U.S. presence on the Arab Peninsula." He says that in the past, Arab conflicts have been resolved without resorting to the UN General Assembly or the Security Council. He says the United States "hastened to take this matter to the Security Council for its own advantage, for its benefit." He says the United States sent an official memo to the Arab League during its summit meeting on 17 May stating that it intended to maintain its military presence in the area. He maintains that the United States only wants to control the oil wealth in the region, and moreover, it wants to make sure that Iraq cannot continue to be an "independent, strong state."

Asked by the host to give his opinion of the U.S. "posture" of maintaining what seems to be a moral position in condemning the occupation of Kuwait, while not condemning Israel, Qaddumi says the United States has elected itself the "guardian of the world" with the authority to take actions of reprisal to teach other countries a "lesson." He says the United States pressured other countries to vote for the recent UN resolution on Iraq. He says: "The war against Iraq is a war against the Arab masses, and the United States will not easily emerge from it without sustaining enormous damage and losses." He says the United States refused to give him a visa to enter the country in order to prevent him from presenting the Palestinian cause to the Security Council, which demonstrates the U.S. determination to treat the Palestinian problem and the Persian Gulf conflict as separate issues.

Qaddumi says that Israel does not care anything for UN resolutions; it continuously occupies more Arab and Palestinian territories and creates more Jewish settlements, and it does so with U.S. support. He says the United States "occupied" Panama and Grenada, and "Mrs. Thatcher occupied the Malvinas, and who said anything about that?" He asks: "Why did the Security Council not intervene?" He says the United States is an obstacle to peace.

In response to a question about the PLO's position on the Gulf conflict, Qaddumi says there should be an Arab solution. He says: "We Arabs have on many occasions ceded a portion of our territory to a neighboring state." He adds: "Kuwait could give a part of its territory to Iraq, because they are all Arab territories, but the United States does not want a solution," because it wants to maintain a presence in the area. Moreover, he says, given the amount of oil produced by Saudi Arabia, the Arab Emirates, and Kuwait, "how can the United States permit those imperialist interests to be harmed? Its attitude does not reflect a defense of either independence, freedom, or sovereignty."

In closing, the host says that Israel's policy against the intifada has been a failure, and the "Zionist government has been unable to crush the rebellion of an entire people." He calls for more political and diplomatic support for the Palestinian rebellion. He thanks Faruk Qaddumi for his appearance on the program.

* New Policy on Economic Crime Explained

91CA0027A Havana GRANMA in Spanish 30 Oct 90 p 3

[Article by Teresa Valdes]

[Text] The new Law of the Courts, which will take effect in January 1991; the application of a stricter penal policy with respect to crimes against property, embezzlement, and illicit enrichment, as well as other economic crimes; and the situation in the justice system during this special period were the most interesting topics discussed by Dr. Raul Amaro Salup, chief justice of the People's Supreme Court, in an exclusive interview with GRANMA.

The principal changes in this new law passed by the National People's Government Assembly, have to do with the composition of the courts, the introduction of alternate judges, and the delineation of the administrative and financial functions of the Justice Ministry with regard to the municipal and provincial courts.

The provincial courts may still claim jurisdiction over crimes punishable by one to eight years' imprisonment, which includes 75 percent of all crimes charged in the country.

Nevertheless, the composition of the court has been changed so that trials can be held at this level; it will now have one professional judge and two lay judges for such cases. For crimes punishable by more than eight years in prison and others that have received substantial publicity or are politically or socially significant, the court will comprise three professional and two lay judges. More time has been allotted for each judge to study the cases to be heard, thus expediting the processing.

"In the past, many judges had to be brought together to hear this type of matter," said the deputy to the National People's Government Assembly. "Prosecution could not take place as quickly as necessary because of the caseload, and the introduction of these smaller panels to hear less serious offenses is a step forward."

In addition to the oral trial, the judges will hold preliminary hearings, assign cases, and discuss judgments as a panel.

The chief justice of the People's Supreme Court also pointed out that the position of alternate judge has been created. These judges may be moved around to fill temporary vacancies due to illness or maternity leaves, or to sit on the bench pending the election of the regular judge. In this manner, the courts will not be left unmanned and will not have to deal with the difficulties caused by the absence of a judge.

Regarding the responsibility of the Governing Council of the Supreme Court, Dr. Amaro Salup stated that it oversees the uniform and consistent enforcement of the law in the lower courts to prevent them from imposing different penalties for similar offenses. It also protects and safeguards the law, ensuring that the precepts of the Constitution and legislation are not violated.

Court Policy During Special Period

Explaining the penal policy that is being implemented during these times of complex economic and international situations that have caused our country to enter a special period during peacetime, the chief justice of the Supreme Court stated:

"The problems with so-called missing property, embezzlement, and the theft of social and state property have taken on greater importance. The people are understandably irritated with those accused of shoplifting, stealing containers, falsifying documents to take warehoused goods, or diverting goods from the official market to the black market, where unscrupulous people obtain them without caring about their illicit origins.

"These situations become more complicated because of the difficult times we are facing, and the people are devoted to resolving them. We cannot allow individuals to derive benefits at the expense of the population. The penal policy must be stricter, and must include the seizure and confiscation of property.

"The situation demands that everyone fight crime no matter where it occurs. As Commander in Chief Fidel Castro said, combating crime is everyone's job, and the courts will do their fair share.

"I would say that we must exert stronger control over the distribution of goods and guarantee the participation of all state agencies in this effort. Now the Popular Councils are playing a decisive role in this respect.

"To carry out this policy, it is not necessary to pass new legislation. We have a good Penal Code that enables us to act with vigor and justice. But if it is necessary to impose more severe sanctions for more dangerous types of crime, there will be no hesitation whatsoever in promulgating the corresponding laws to stiffen penalties.

"When we assess the conduct of a defendant who took advantage of his assigned position to steal property entrusted to him, to negotiate with it and enrich himself, we see that the trust placed in him is flouted and abused. That past record or behavior cannot be used as an excuse to diminish his responsibility."

With respect to legal matters during the special period, the chief justice of the People's Supreme Court declared that no one has the right to change legislation because of a particular whim. That would be anarchy, and we cannot shirk our duty and violate the law. The state itself must determine which legal provisions will be maintained, and which will be reinforced, confirmed, or eliminated.

When one talks about discipline in the work of the courts, one cannot argue that legal guarantees or citizen rights should be violated to cut corners, as this is a fundamental principle that does not prevent us from economizing.

Finally, the chief justice indicated that we do not have a de facto state, but rather a de jure state that has been improving during the more than 30 years of the Revolution. We are well prepared for war, and especially for any situation that may arise, no matter how complex.

Leningrad Youth Leader Visits Santiago de Cuba

FL0712225090 Havana Radio Reloj Network in Spanish 2038 GMT 7 Dec 90

[Text] (Yuriy Bulshakov), first secretary of the Provincial Committee of the Komsomol of Leningrad, has described as very fruitful his exchanges with youths from Santiago at the end of his visit to that heroic city.

Accompanied by leaders from Leningrad and from the Union of Communist Youth, (Bulshakov) noted the socioeconomic development of Santiago de Cuba and the role played by youths in centers such as the medical equipment factory, the FAR [Revolutionary Armed Forces] prevention unit, and other centers.

The Soviet delegation paid tribute to our national hero Jose Marti at the Santa Efigenia Cemetery and met with members of the bureau of the Cuban-Soviet Friendship Association.

At the end of his tour, the Soviet youth leader praised the efforts being made in Santiago de Cuba, and said that this visit confirms once again the close relations that have been characteristic of the two nations.

Roberto Robaina Reviews PRC, SRV Visit

FL0712190390 Havana Tele Rebelde Network in Spanish 1800 GMT 7 Dec 90

[Interview with Roberto Robaina, first secretary of the Union of Young Communists, by journalist Nuria Cepero "minutes after his arrival" in Havana from a trip to China and Vietnam; date not given—recorded]

[Text] [Robaina] I think we have learned many lessons. There are many things to be learned. We went for that purpose. I think what took us there was above all to learn a lot. I think that we have much to learn from those two nations, with their different characteristics, from the results they have obtained.

There was a lot of interest in our work. I do not think we have a lot to contribute. We simply said what we have been doing and they thought it very useful, but I think that the most important thing is especially that we be capable of learning those lessons. I think that on that continent, in those countries, there are lessons about industriousness, there are lessons about total dedication, there are lessons about politeness, courtesy, efficiency, and dedication to the work being done. I think that received very interesting things.

I think that this is very encouraging and I would say that what also came out of this was a love for the Cuban revolution, a love for our people, a love for our top leaders. We would say that this really recharges one's batteries. It is very encouraging, and above all they have a great desire to find out about us. I think that we had interesting experiences there.

Aside from all the differences between us, I think that what became obvious in the first place was that only the community of our ideas is what keeps us in the same trench. I think it was made very clear, regardless of the characteristics of each country, that both [as heard] of us think—with regard to the young people, and the party leaders also told us this—that we both think that only socialism is able to solve the problems we have. Of course, we have a lot in common in the ideas we uphold in this mutual trench, as we have called it. I think that this is of tremendous importance.

We heard really from everyone there about this, that Cuba is not alone. I think that, in addition, to have just the support of 1.1 billion Chinese is a sign that we have quite a bit of company. I would say that the most important thing about the trip in my opinion, even in (?China) but especially in Vietnam, is not only to express thanks for the treatment we received, but I think that above all we must express thanks for the lessons we have received.

I think that it is tremendously encouraging that, in the words of some military officers and soldiers, the only message they send to this country is that we should tell Fidel that if something happens in Cuba, the only thing they want is for us to call on them, because they want to be soldiers in this army. They want to fight in this army, and they want to fight in this [word indistinct]. The only thing they want—these are colonels, commanders, soldiers—the only thing they want is that if anyone touches Cuba, they say that please, they want to be here right when someone touches Cuba.

UN Ambassador Reiterates Support for ANC

FL0712133990 Havana Tele Rebelde Network in Spanish 1200 GMT 7 Dec 90

[Text] Cuba has ratified its support to the African National Congress [ANC] because of its dedication to the struggle to eradicate the racial discrimination system in South Africa. Carlos Zamora, alternate Cuban ambassador to the United Nations, made a call at the UN General Assembly for the international community to maintain pressures on the apartheid discrimination system. He also said efforts need to be increased in the support of the South African people and their vanguard organization, the ANC, and strong criticisms need to continue against apartheid as a crime against humankind.

On another matter, it was reported at the UN headquarters that Even Fontaine Ortiz, chief of the Cuban mission, was reelected by acclamation for a third term as member of the UN Budget and Finance Consultation Commission.

COPPPAL Advocates End to Economic Embargo

FL0812184190 Havana Tele Rebelde Network in Spanish 1800 GMT 8 Dec 90

[Text] The first Latin American conference on integration, held in Lima, Peru, has advocated a definitive solution to the economic embargo against Cuba. In the final declaration of the meeting, which was sponsored by Permanent Conference of Latin American Political Parties [COPPPAL], those attending came out in favor of (?promoting) recognition of the Caribbean region by international organizations and governments. In this context, those participating in this meeting in Lima defended our country's incorporation into the process of Latin American integration and the definitive elimination of the U.S. embargo against Cuba.

Castro Bids Farewell to Mozambican Minister

FL0712131790 Havana Tele Rebelde Network in Spanish 1200 GMT 7 Dec 90

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba Central Committee and minister of the FAR [Revolutionary Armed Forces], has seen off Army General Alberto Joaquim Chipande, minister of defense of the People's Republic of Mozambique, at the Jose Marti International Airport. Chipande was the head of an official military delegation that extensively toured places of historic, political, and social interest in our country. Other FAR generals, chiefs, and officers accompanied Raul at the airport.

Before his departure, the Mozambican defense minister noted the importance of this visit in the strengthening of friendship ties between the two peoples. He also stated that a cooperation agreement between the two armed forces was signed as a result of the visit.

Albanian Foreign Minister Opens Working Visit

FL1012130890 Havana Tele Rebelde Network in Spanish 1200 GMT 10 Dec 90

[Report by Ismael Tantaw from the Jose Marti International Airport]

[Text] Albanian Foreign Minister Reiz Malile arrived in Havana last night. Cuban Foreign Minister Isidoro Malmierca Peoli welcomed the distinguished visitor at the Jose Marti International Airport. Malile will be on a working visit to Cuba until Wednesday, 12 December. During his stay in Cuba, the Albanian foreign minister will meet with the top authorities of the Foreign Ministry, the State Committee for Economic Cooperation, and the National Assembly of the People's Government, among others.

In a brief dialogue with the press, Malile said:

[Begin Malile recording in Albanian with simultaneous Spanish translation] Cooperation in the economic and commercial areas is going well. Naturally, we have to be realistic, because we are small countries and we are somewhat far from each other geographically. There is no lack of political will or efforts on both sides. On the contrary, much has been done in that regard, and even more will be done as well in the area of economic, technical, and scientific cooperation. [end recording]

FSLN Leader Discusses Political Prospects

FL1012134790 Havana Tele Rebelde Network in Spanish 1251 GMT 10 Dec 90

[Interview with "Commander of the Sandinist Revolution" Tomas Borge, leader of the Nicaraguan Sandinist National Liberation Front (FSLN) by journalist Lily Novo in Havana; date not given—recorded]

[Excerpt] [Novo] I have the pleasure of conversing with the well-known Nicaraguan intellectual and revolutionary Tomas Borge, who heads the judges of unpublished scripts of the 12th Latin American Movie Festival. Commander, 1990 has been a year of expectation for everyone, in view of the sociopolitical and economic situation that the Nicaraguan people are experiencing. We would like to know what you foresee for the coming year.

[Borge] I think we have to speak not of the year to come, but of the years to come. I would almost dare to say that we have to speak of the next decade. World events are so dynamic, that it is dangerous to make prophesies for the next few months, or even for the next few years. Where Nicaragua is concerned, I would like to tell you that we lost the elections, but we continue to have a powerful impact on the country. The main pressure groups in the country are revolutionary in nature. There is a united, coherent, and powerful party, the FSLN, which has the most decisive influence on Nicaragua's destiny.

I believe that if the elections that are to be held in a few years were held at this time, the FSLN would again return to the government—I do not say to power, because it still wields an important amount of power—in those elections. [passage omitted]

Inter-Caribbean Affairs

Business Spokesman Calls For Caricom Relocation

FL0712225590 Bridgetown CANA in English 2156 GMT 7 Dec 90

[Text] Port of Spain, Trinidad, Dec. 7, CANA—President of the Trinidad and Tobago's Manufacturers Association, Gary Voss, has called for a relocation of the Guyana-based Caribbean Community (Caricom) secretariat.

Voss, speaking at an Export Development Corporation seminar, said the secretariat in Georgetown was not reaching or attracting businessmen. He told the Caribbean News Agency (CANA) that the secretariat should be switched to Barbados—an ideal location with proper infrastructure, reliable transportation, and a good communications system. "The call for a relocation is nothing new. For some time now many businessmen in the region have been calling for this," he said. My own feeling is that the secretariat, while based in Georgetown, is not really reaching businessmen or attracting them. In Guyana, there's the problem of a lack of infrastructure, there are communication problems, and they are situated on the perimeter of the Caribbean," he added.

The businessman said the Caribbean Export Development Project was already located in Barbados, and that Caricom should seriously consider relocating the secretariat.

Antiqua and Barbuda

Ministry Denies Crop Profits Went to Safarti

FL0812183090 Bridgetown CANA in English 1630 GMT 8 Dec 90

[Text] St. John's, Antigua, Dec 8, CANA—The Ministry of Agriculture here has denied a story in the weekly opposition OUTLET newspaper that "all proceeds of the sale of the cotton crop for the years 1985/86 and 1986/87" had been received by Maurice Safarti, a former melon farmer here, who featured prominently in the recent arms transshipment scandal.

Safarti, an Israeli, is said to have been the mastermind of a plan in 1989 to use Antigua as the transshipment point for a batch of Israeli weapons which was destined for Colombian drug barons.

The Agriculture Ministry, in a statement, said it "categorically denies that Mr. Safarti received any monies from the government sale of the 1985/86 and 1986/87 cotton crop."

The ministry said the funds from the cotton sale "were disbursed to small farmers, the Antigua Sugar Industry Corporation (ASIC), and the Central Cotton Station."

Dominican Republic

PRI Vice President, Others Resign in Protest

FL0712170090 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 7 Dec 90

[Text] Dr. (William Hannah), vice president of the Independent Revolutionary Party [PRI], has resigned from that organization, thus dealing a harsh blow to Majluta's political program. According to (Hannah), Jacobo Majluta's personal doctor and confidant, he resigned from the PRI because he was in disagreement with the personalistic way in which the former president has run the organization. Besides (Hannah), (Elpirio Ortega), Luis Guzman Estrella, Sandino Grullon, (Kin Kin Paulino), and (Jengo Vargas) have also resigned from the PRI. Toni Raful, (Wilton Erno), Amadeo Lorenzo Ramirez, and other well-known members have also resigned from the party, giving the same reasons.

* Economic Policies, Performance Reviewed

91CA0018B Santo Domingo LISTIN DIARIO (Economic Section) in Spanish 20 Oct 90 p 10-D

[Article by Andres Dauhajre, Jr.]

[Excerpts] The Dominican economy is without a doubt caught in a vicious circle of price increases, leading to periodic revisions in the official exchange rate and constant increases in the black market exchange rate. And these conditions cause the unions to demand comparable wage hikes. [passage omitted]

Under the Economic Solidarity Pact, the Dominican Republic government has begun to execute an adjustment and stabilization program. It started by eliminating the extensive subsidies on fuel, sugar and wheat flour consumption. This was followed by an adjustment in the exchange rate: this adjustment, however, has since been very timidly readjusted, despite the fact that the initial adjustment measures, by triggering domestic price increases throughout the entire economy, called for more realistic adjustments. These adjustment measures were followed by nominal wage increases, which were both explicit and implicit. They were explicit in that salaries were raised by 60 percent, and implicit, in that the amount of salaries exempted from income taxes rose from RD [Dominican Republic peso] $1,000 to RD $3,000 a month.

Although the government pledged to put an end to the inflationary financing of the consolidated public sector debt and to continuously revise the prices of goods and services which the public enterprises provide in order to avoid losses which then require this debt financing, this commitment has apparently not been kept. Additional monetary issues have been made to cover the Dominican Petroleum Refinery losses and the State Sugar Board deficit. By September 1990, the Dominican Petroleum Refinery had accumulated a deficit of RD $994 million, financed by the Reserve Bank and the Central Bank. And the State Sugar Board deficit is said to amount to approximately RD $400 million.

But the real Achilles heel of the adjustment and stabilization program which the government began in early August of this year has been the lack of external resources needed to finance the balance of payments deficit and to guarantee exchange rate stability. Exchange rate stability is essential in order to stabilize prices in a small economy as open as the Domincan

Republic's economy. External resources become even more essential when the existing balance of payments deficit is combined with the deficit generated by external shocks, such as increases in petroleum prices in the international market, if the economy, like ours, is a petroleum importer. When there are external resources, the exchange rate can be pegged to a competitive level, creating the right conditions for price stability. Without external resources or without foreign currency resources and steadily growing means of payment, there is no way to overcome inflationary and devaluation expectations, expectations which become self-fulfilling with continuous price and exchange rate increases.

The cumulative deficit in the Central Bank's exchange balance from January 1989 to July 1990 was US $123.8 million. This practically wiped out the Central Bank's liquid foreign currency reserves. During the past two months the top level of the Central Bank's liquid reserves was US $14 million. The Central Bank's gross foreign currency reserves, which in December 1988 were US $309.4 million, fell to US $185.6 million in July 1990, reflecting the $123.8 million cumulative deficit in the exchange balance.

The Central Bank's foreign currency holdings dropped resoundingly in the first seven months of 1990, due to the maintenance of an exchange rate which was far removed from the black market exchange rate. In relation to holdings during the first seven months of 1989, the Central Bank took in US $388.9 million less during the first seven months of 1990. While the gap between the official exchange rate and the black market exchange rate during the first seven months of 1989 oscillated between two and ten percent of the official rate, during the first seven months of 1990 it oscillated between 35 and 70 percent. That explains in large part the Central Bank's substantial decline in foreign currency holdings.

This is the context in which the Central Bank decided to adjust the official exchange rate to RD $10.50 per dollar, thus reducing the gap between the two rates from 80 percent to 9.5 percent. The official devaluation actually left the official rate at a level of RD $1.00 below the black market rate. The Central Bank rate was set below the black market rate, even though it did not have enough liquid foreign currency reserves to cover petroleum imports at the levels required at that time, when petroleum cost between US $18 and US $20 per barrel.

The price increases triggered by eliminating the extensive subsidies and the nominal official devaluation of 65 percent (the effective devaluation was only 11 percent, since the former system operated as a hybrid, where importers and exporters made 50 percent of their purchases in currency at the official rate, and the remaining 50 percent at the black market rate) set off price increases that rapidly reduced the official rate's competitiveness. Inflation, which in July had been 5.04 percent, surged upward in August to 14.73 percent. On a yearly basis, this would amount to an annual inflation rate of 419 percent. Let us assume that in September the monthly inflation rate dropped to nine percent, this would represent a fairly conservative assumption. [passage omitted]

* Venezuela to Finance Hydroelectric Projects

91CA0018A Santo Domingo LISTIN DIARIO (Economic Section) in Spanish 2 Oct 90 p 1-D

[Article by Carmen Carvajal]

[Text] The Dominican Republic is now executing four projects financed by Venezuela through the San Jose Accord, in the amount of 515.9 million bolivars and $141.4 million.

Venezuela, which requires no compensation for financing projects through this accord, has already contributed to the execution of numerous other projects, through the 11 accords which have been signed to date.

Through the San Jose Accord, Venezuela and Mexico supply the Dominican Republic and the Central American countries with the fuel they need, by financing 20 percent of the amount required.

To date, Mexico has financed only the Bajo Yaque project. It has rejected the applications filed after that project, requiring that the Dominican Republic first pay off what it owes to Mexico.

Venezuela, though, has continued to finance projects through the FIV [Venezuelan Investment Fund], with San Jose Accord funds.

The projects now being executed are small hydroelectric projects (Bayguaque, Jamamu and El Salto), for an amount of $1.5 million and 52.1 million bolivars.

For the asphalt cement project—which will provide AC-20 for road construction—Venezuela had planned to provide $22.7 million. However, the National Planning Office explained that the FIV has reprogrammed this project.

The reprogramming, which has been approved by the FIV Board of Directors, is now awaiting approval in the Assembly; it increases the resources for asphalt cement to $33.1 million.

A third project being executed with Venezuelan resources under the San Jose Accord is the Barahona hydroelectric project, for which the FIV has approved $40.6 million.

The Rio Bao hydroelectric project has also been reprogrammed; it too is now awaiting Assembly approval.

Before the Rio Bao reprogramming, the FIV had scheduled 179.3 million bolivars and $29.2 million. With the reprogramming, the resources were increased to 446.8 million bolivars and $61.5 million.

The current San Jose Accord, number 11, was approved last November.

Even though the accord covers financing equivalent to 20 percent of the Dominican petroleum bill, this accord also provides $16.5 million for project investments.

The accord provides a five year period for interest repayment; interest begins to be charged on the date when the disbursement of the resources has been completed.

It further offers a six percent interest rate when the resources are used for projects, and eight percent when they are for the balance of payments.

Grenada

NNP Claims Reshuffle Shows 'Incompetence'

FL0712183590 Bridgetown CANA in English 1528 GMT 7 Dec 90

[Excerpt] St. George's, Grenada, Dec 7, CANA—The leader of the opposition New National Party [NNP] in Grenada, Dr. Keith Mitchell, has described Monday's cabinet reshuffle as showing up the incompetence of the government.

In announcing the changes, Prime Minister Nicholas Brathwaite told a press conference "there are times that changes become necessary after some time of analysis" and the re-shuffle did not relate to rumours of disagreement within the ruling National Democratic Congress [NDC].

The NNP leader, however, told the CARIBBEAN NEWS AGENCY: "A cabinet reshuffle.... just nine months after a government's coming to office indicates that the government has not been performing the way it is expected to."

He said there is some disenchantment among Grenadians with the government's performance.

"It seems that by making these changes the government is seeking to stem the flow of criticism," he remarked.

"... Their performance will certainly not be enhanced by the changes."

The former communications and works minister predicted "the government will just continue to grow." He said the country would continue to suffer because of the lack of proper management by the government. He saw the reshuffle as partly a means of appeasing some people who helped the NDC "to form the government, because some of them were threatening to pull out." [passage omitted]

Haiti

Government Communique Condemns Bomb Attack

FL0712164390 Port-au-Prince Radio Nationale in Creole 1400 GMT 7 Dec 90

[Communique issued by Information, Culture, and Coordination Ministry on 6 December]

[Text] An explosion occurred during a power outage in Petionville on Wednesday, 5 December at the conclusion of a rally. The provisional government of Mrs. Ertha Pascal Trouillot offers its condolences to all the relatives of the victims and wishes a speedy recovery to hospitalized bombing victims.

Mrs. Trouillot's government forcefully condemns these kind of acts, which do not respect human rights, and advises that proceedings have begun to identify the people who committed these acts and to punish them according to the law.

In the Information Ministry's communique, the government asks the Haitian people to remain vigilant, and to stand up in order to succeed in changing this troublesome political situation. It also wants the political leaders to respect each other and accept the people who do not think like them. This is the road to democracy for us and our children.

According to the communique, the Trouillot government also says that, come what may, it is there to allow proper elections to be held in Haiti under security guaranteed by the Haitian Armed Forces.

[Signed] Information and Culture Minister Alfred Mentor
Port-au-Prince
6 December

State Council Urges National Mobilization

FL0812023090 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 7 Dec 90

[Text] One more drama where blood has been shed was enacted in Petionville the night before last, turning the nation upside down. The State Council offers its sympathy and condolences to the victims and their parents.

Today the same people who have been opposed to change in the country continue to kill the people little by little. They were the same people who conducted the slaughters in Piatre, Labbady, and Cabaret [northern region], and they are still powerful. They were responsible for the Zenglendos' actions in the country, such as the killing of State Council member Serge Villard, and labor-union member, Jean-Mary Montes, who lost their lives on 21 June. These people against change came back even stronger, killing more people in the civilian population, among them women, children, young people.

The demands made by the population to enforce justice in the country so that the government could be based on law were never taken into consideration since law, as well as life, are two things unknown in this country. The State Council, being the nation's interpreter, has insisted during its struggle on applying justice against those people, death dealers, sending people to kill others in the streets.

The State Council stayed aloof from Mrs. Trouillot's government after that government refused to clarify its position regarding Regala, Lafontant, and all other enemies of the nation who still want to keep the country hostage. The State Council invites everyone having faith in democracy and wanting free elections to stand up and mobilize to defend the forthcoming elections on 16 December. As a united nation, we will finally achieve victory over all attacks against us. After such a hard struggle for change, democracy can at last grow and serve the nation.

FADH High Command Appeals for Calm

FL0712175590 Port-au-Prince Radio Nationale in Creole 1400 GMT 7 Dec 90

[Text] The Haitian Armed Forces [FADH] High Command expresses its indignation at the act of violence in Petionville on Wednesday, 5 December, which resulted in the death of seven people and serious injuries to 55 others. The FADH severely condemns this useless act that has caused mourning and disturbed the public order. It advises that instructions have been given to seek out, arrest, and hand over for judicial proceedings the authors of these crimes.

The high command shares the distress of the affected families. It asks the people to keep calm and determined, and to go faithfully into the forthcoming 16 December elections. This note was signed by the secretariat of the FADH High Command.

Military Commission Opens Investigation

FL0712194590 Port-au-Prince Radio Nationale in Creole 1400 GMT 7 Dec 90

["Note" issued by the military department of the Port-au-Prince metropolitan area on 7 December]

[Text] The military department of the metropolitan area extends its sympathies to the victims of the incident that caused seven deaths in Petionville on Wednesday, 5 December. The department also expresses its special thanks to all the people who offered their benevolent help to the Petionville police so that the wounded could be taken to the hospital.

The military department wishes to announce that an investigation commission has been set up, with offices in the general headquarters of the Petionville military district, to bring the incident to light. This commission began work today, Friday, 7 December, at 1000. They invite anyone who wishes to relate facts and information about the incident to contact them there.

CEP Deplores Attack; Urges Authorities To Act

FL0812004990 Port-au-Prince Radio Nationale in Creole 1400 GMT 7 Dec 90

[Report on "note" issued by the Provisional Electoral Council; date not given]

[Excerpts] The Provisional Electoral Council [CEP] has said that it is offended to see how far unscrupulous assassins have gone in their determination to prevent the Haitian people from holding peaceful and honest elections. It extends its condolences to the electorate, because they are actually the ones targeted by the assassins. It extends its sympathies to the families of the dead and wounded. It wants them to know that its heart is bleeding along with theirs. It also presents its condolences to political leaders and parties. When one is attacked, all are attacked. When electors and leaders are attacked, the CEP hurts. [passage omitted]

The CEP hopes that in view of Haiti's shame derived from this savage act, the appropriate authorities will take the opportunity to clean up the country so that the electoral campaign can continue with respect for human life and property. The CEP asks the authorities for their support in view of the fact that vagabonds have succeeded in putting us in mourning.

The CEP's note goes on to say that the organization takes this opportunity to thank all the people who have supported its proceedings with regard to a candidate [Lesley Manigat] who has not agreed to withdraw before the Court of Appeals [the Haitian Supreme Court] to hang about the streets. [sentence as heard] The Court must not use roundabout ways, however. All citizens and groups that want to defend the 1987 Constitution must take advantage of this opportunity to say what they think.

Haitian people, we are at the last station on the road to Calvary. Be confident. Let us be cool-headed and continue moving forward quietly and with discipline, even if we are obliged today to gird our loins so to endure the distress that assassins are causing in the country. Hail the martyrs of 5 December 1990! Hail the 1990 elections! [passage omitted]

Security Committee Advises Candidates on Safety

FL0812015090 Port-au-Prince Radio Metropole in French 1700 GMT 7 Dec 90

[Text] The coordination committee for the security of electoral matters met with presidential candidates yesterday afternoon. The purpose of the meeting at Villa D'Acceuil was to adopt security measures for the candidates' meetings and rallies. Two presidential candidates, Vladimir Jeanty and Fritz Simon, attended the meeting in person. All other presidential candidates, except the Haitian Christian Democratic Party [PDCH], sent representatives. The coordination committee for the security of electoral matters was represented by Colonels Sylva, Sain-Vil, Cedras, and Duperval.

The committee had asked the candidates to submit plans of action at least 24 hours beforehand. The committee specified that each candidate should have four armed persons in his security system. The committee agreed to make available a uniformed police agent to symbolize order, as suggested by Colonel Saint-Vil. A quick system of issuing arms permits would be set up, to allow candidates organize their own security systems.

The committee suggested that meetings not be held beyond a certain time, and that March-type rallies be avoided. They also recommended that an electoral ethics rule, consisting of 11 specific points, and serving as a pact between the Provisional Electoral Council [CEP] and the candidate, be initiated. Such a rule would acknowledge the necessity to respect the electoral propaganda of opposite groups as well as their symbols, badges, and other identification forms.

Lafontant Denies Bombing, Accuses Aristide

FL0712141590 Bonaire Trans World Radio in English 1130 GMT 7 Dec 90

[Text] The presidential campaign in Haiti has taken a violent turn. Seven people were killed and more than 50 wounded yesterday [as heard] following a hand-grenade attack in the capital, Port-au-Prince. Several unidentified men in a moving vehicle threw the grenade at a crowd of 2,000 people after a campaign rally of Haiti's leading presidential candidate, the priest Jean-Bertrand Aristide.

Mr. Arisitide has accused Roger Lafontant, the Duvalierist presidential hopeful, of being responsible for the attack and has called for his arrest. Mr. Lafontant denies the charges and yesterday accused the priest of organizing the bombing himself in an attempt to discredit him.

RDNP, Manigat Issue Statement on Bombing

FL0712181090 Port-au-Prince Radio Nationale in French 1800 GMT 6 Dec 90

[Press statement issued by the Assembly of the Progressive National Democrats (RDNP) in Port-au-Prince on 6 December; signed by Professor Leslie Francois Manigat, "secretary general and political leader of the RDNP."]

[Excerpts] Panicked by our tenacity in the struggle to establish a state of order in our country, well-known professional and licensed disinformation storytellers and apprentice dictators, who are quite ill-at-ease, once more attempt to use Stalinist methods against the RDNP.

The RDNP reminds the honest public opinion in this country of its constant adherence to a tradition of nonviolence in accordance with its political credo. In these times, when they [not further identified] want to create confusion through bad blows, the RDNP is anxious to reaffirm that it remains hostile to all kinds of violence as a political action method.

Consequently, the RDNP condemns the assassination attempt and the assaults of last night [5 December] and offers its sympathies to the Movement for the Organization of the Country and its condolences to the victims of the raging violence demonstrated in words and acts at this crossroads of the Haitian political evolution which has turned bloody.

Contempt for life is the barometer of a society's degree of civilization. Ours shows signs of a return to murderous barbarity in this field also. The RDNP has openly and independently instituted a legal action because it was a victim of injustice by the Provisional Electoral Council [CEP]. Manigat points out that the RDNP has instituted this legal action in the fullness of his rights because the right to defend oneself against arbitrariness is one of the most sacred ones. The RDNP is expecting with serenity the Court of Cassation's decision relative to its appeal as an unconstitutional exception of the 5 July 1990 Electoral Law, a law that it publicly denounced since it appeared in the press a long time before the alleged CEP's exclusion decision, adds Manigat. [passage omitted] In spite of all kinds of pressures, force should be on the side of the law and the final word must be justice.

As for us, the constitutional legitimacy based on the largest possible unity will, as usual, continues to be our compass in this national battle for democracy, development, and social justice. This is a triple goal that will not be reached without civil peace and political stability. One does not build the new Haitian institutions for freedom on iniquity.

Arsonist Arrested, MPP Issues Statement

FL0812014590 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 7 Dec 90

[Report by unidentified correspondent in Hinche]

[Excerpts] Father Aristide's partisans in Hinche [northeastern Haiti] are also being persecuted. Last night, Thursday, 6 December, at around 0430, a young man by the name of Jo Janvier carried a small container of fuel and poured it over a house where the National Front for Change and Democracy [FNCD] partisans meet every evening on Pedro Vincent Street in Hinche. The fuel even got on those who were inside the house. The intervention of people inside prevented Jo Janvier from lighting a match and setting fire to the house. Police then intervened and Jo Janvier is now in prison.

The Papaye Peasants Movement [MPP] sent the following press release [dated 6 December] condemning the slaughter in Petionville: We strongly protest. We were very indignant when we heard that once more, criminal Macoutes drank people's blood in Petionville. This criminal action is part of the plot by the Macoutes, by Manigat, and by their accomplices in the government to block the democratic process. They want to destroy the elections, to return to the Duvalierist regime so that the wasting can continue. They want to continue to plunder government funds and drink the people's blood, to make the nation continue in fear.

We are demanding that the government and the Haitian Army take quick measures to arrest Roger Lafontant and all criminal Macoutes who want to destroy the people's elections. The foreign countries, accomplices in the Duvalier regime who participated in the 29 November slaughter, must clearly state their position. MPP is asking if such an act is a warning of more to come.

The statement stresses that the people must not back down, must keep firm, organized, and mobilized so that they may go to elections. [passage omitted] If the Macoutes block 16 December, we must block 17 January, until we overthrow that bloody regime completely. We must stand up; roll up our sleeves to block the Macoutes' actions. Many hands lighten the load.

ONUVEH Head Asks Voters To 'Remain Firm'

FL0712210090 Port-au-Prince Radio Nationale in Creole 1400 GMT 7 Dec 90

[Report by correspondent Jean-Marie Ferari]

[Excerpts] The attack which occurred in Petionville Wednesday evening, leaving seven dead and more than 50 wounded, cannot stop the electoral process, commented Joao de Medicis, mission head for the United Nations Organization for Verification in the Haitian Elections [ONUVEH].

De Medicis visited the hospital last night to offer his sympathies to the wounded and his wish for their recovery. He also presented his sincere condolences to the mourning families.

The ONUVEH head in Haiti remains convinced of the Haitian people's will to have someone lead them, and that it is they, the Haitian people, who must make this choice. Jean-Marie Ferari presents further details:

[Passage omitted] According to de Medicis, ONUVEH must stay in constant contact with the Haitian authorities. He is now in touch with the commander of the Haitian Armed Forces who has assured him of implementation of adequate measures for proper holding of the elections. [passage omitted]

According to de Medicis, the Haitians must not let themselves be discouraged by this attack. On the contrary, they must remain firm in their determination to carry out free and honest elections that will permit Haiti to move forward.

Trinidad and Tobago

Muslim Group Files Motion To Regain Land

FL0712221090 Bridgetown CANA in English 2129 GMT 7 Dec 90

[Text] Port of Spain, Trinidad, Dec. 7, CANA—The Trinidad and Tobago Black Muslim group, the Jamaat al Muslimeen, has filed a constitutional motion in the high court, seeking to regain controversial lands at Mucurapo. The Muslimeen is seeking a ruling that the occupation of the land by the police and army is illegal and unconstitutional.

Since a July 27 coup attempt by members of the group, security personnel have been occupying the eight acres of land where the Muslimeen had established a commune. The land had been in dispute before, with the government having told the Muslimeen it was state land and permission to build on it had not been given.

According to the motion filed in the registry of the supreme court by lawyer Ramesh Maharaj on Thursday, the Muslim sect is also asking the court to rule that the destruction of buildings on the lands was unconstitutional. The application names the commissioner of police, chief of the army, and the attorney general.

Since the coup attempt, the relatives of jailed Muslimeen members have been attempting to re-enter the land where they have their homes, businesses, a school, and a mosque. The application comes up for hearing on December 13.

Finance Minister Favors Ending IMF Borrowing

FL1012153590 Bridgetown CANA in English 2036 GMT 9 Dec 90

[Text] Port of Spain, Trinidad, Dec. 9, CANA—Since the late 1988, Trinidad and Tobago's standby agreements with the International Monetary Fund have been a major plank for criticism for those who oppose the government's economic policies.

With his 1991 budget speech, Finance Minister Selby Wilson, has pulled the plank from under the feet of critics. On Friday, Mr. Wilson announced that the government, having settled its balance of payments difficulties, intends to abandon its programme of borrowing from the IMF.

This may well be the most emphatic statement of confidence in the economic future which the government has made since assuming office in 1986. And, considering the nervousness typically prompted by IMF arrangements, that confidence should impact significantly on the economy.

We must remember that there are two real reasons—setting aside discredited ideological rhetoric—why the IMF causes negative reactions in any country which has to approach it for help. The first is that no country comes to the IMF until its ecomomy is in serious difficulties. The second is that IMF programmes, which have been mostly designed in accordance with the priorities of financial formulas, have often failed because of the social reaction to fiscal policies regarded as unfeeling.

This is why, when the Gulf crisis pushed oil prices upward, the first suggestion about how the government should spend any increased revenue was to get out of the standby arrangements with the IMF. The IMF had become the "bogeyman" of the ecomony, and buying out of the IMf assumed nature of exorcism. Yet the government has continually insisted that it would have taken the same measures recommended by the IMF, had it not borrowed from the Fund.

As things have turned out, at least up to now, the government's austerity programmes seem to have had good effects. The test of the 1991 budget will be whether those gains are kept or lost in the near future, particularly in 1992 and beyond when, as we ought to remember, debts repayments fall due.

Trinidad and Tobago is far from being out of the economic wilderness, but the journey back has at least begun. Let us hope that the injection of confidence which comes from being free of the IMF will have positive effects on an economy which is slowly opening up.

The relaxation of foreign exchange controls, one aspect of our opening economy, will not result in more capital flight. Even past 1992, should the economy find itself in difficulties, the new perspective on debt servicing which is becoming prevalent can work to our advantage.

As the finance minister sought to emphasise throughout his budget presentation, the road ahead is still rocky. But it seems, for the time, that we are in more control of our economic destiny. What we must try to do now is to avoid the mistakes of history. Having control of one's destiny is no guarantee of handling the responsibility. Thus the struggle we still face, and the triumph we must try to win, not only economically but in every aspect of our national life.

* Features of Food Subsidy Program Presented

91CA0023A Mexico City PROCESO in Spanish No 729, 22 Oct 90 pp 20-23

[Report by Carlos Acosta and Guillermo Correa]

[Text] The administration of Carlos Salinas de Gortari is modernizing populism and with the announcement of "free tortillas for the poor" has begun to institutionalize the card that will officially divide Mexicans into first- and second-class citizens. Backed by an army of bureaucrats, new special agencies, and a sophisticated computer system, Conasupo [National Company for Basic Commodities] has begun to distribute vouchers by mail so that depending on their district "the neediest people can receive this basic food at no cost."

The presidential term of modernization is thus succeeding where previous administrations have failed: in establishing a "card for the poor." There has been criticism, however.

The move "is an act of populism that seems to be based on good intentions, but its roots and consequences are perverse"; it is merely "an escape valve so that anger does not explode"; "handouts will not do away with poverty." This is what assemblymen, legislators, and labor leaders are saying about the administration's program.

The fact is that before the vouchers replace the tortilla coupons in March 1991 (two months before the elections for the Chamber of Deputies, Assembly of Representatives, and three year senatorial terms), a voucher system has already been established. Distribution began on Wednesday the 17th, and from 26 November to 28 February, 3.2 million families with a total income of up to twice the minimum wage will be able to get a kilo of tortillas a day free.

Then the cards will come (personalized and magnetized, like bank cards), and coverage will be broadened to 4.5 million poor families.

The measure was announced in large foldouts in most national newspapers. In the tone and substance of the message both the official and the implicit purposes of the measure and its scope can be found.

Between the emblem of "Solidarity" and the names of the Secretariat of Commerce and Conasupo, the announcement indicates that the administration's decision to give away 3.2 million kilograms of tortillas a day is "a definitive step in reorienting the indiscriminate subsidy for tortillas, which will now go, with complete transparency, to those who really need it."

The vouchers, a total of 95 per family, began arriving by mail in sealed envelopes on 17 October. Distribution will end on 15 November. Printed on each voucher is the date that it can be cashed in at any tortilla store in the corresponding city. "The voucher cannot be cashed in on a date other than the one indicated. The vouchers cannot be accumulated to be cashed in on a single day." Moreover, each voucher "indicates the name of the city and the amount of tortillas to which the family is entitled, which is one kilo a day, and tells the store owner not to accept it if it has been altered in any way or shows signs of having been opened."

Personalizing the vouchers is an attempt to eliminate the middleman operations that turned the tortilla coupons into a full-fledged opportunity for corruption for political and profit-making purposes. "This is a first, albeit small step to depoliticize social assistance," says PRI [Institutional Revolutionary Party] Deputy Eloy Garcia. While not denying that the vouchers are also an attempt "to enhance the administration's credibility," he says that they are trying to eliminate subsidies as business opportunities: "Neither leaders seeking profits nor politicians after votes will be able to use tortillas, in other words, hungry people, to satisfy their whims."

A more transparent allocation of aid will not, of course, solve all problems, the deputy says, but it is "a step forward." A black market is more unlikely than with the tortilla coupons; the district committees of PRI and other parties will not be able to gather together and distribute the vouchers as they please; there will be no way for the tortilla store owners to request extra money, as they did with the coupons, before accepting the voucher; and resale will be less likely.

Even with all of the advantages that the transparent distribution of the vouchers first and then the cards may bring, there is still an underlying problem: how were the beneficiaries identified. The public-relations announcement says that the free tortillas will go "to those who really need them." There was no detailed official information as to how this segment of the population, 4.5 million families strong, was identified.

Census of the Hungry

Ignacio Ovalle Fernandez, the general manager of Conasupo, explained on the same day that an announcement appeared to the effect that a census had been conducted between January and June of this year in 71 of the country's main cities. The census data were combined with the findings of socioeconomic studies that Conasupo conducts among its clients and the people who shop at local stores and dairies. This was how the roster of the Mexican poor was drawn up, although it did not include the 40 million that the Consulting Council of the National Solidarity Program says are poor.

Eduardo Martinez is a leader of the Coordinator of People's Supply Councils of the Federal District, which along with other organizations of the grassroots urban movement has held rallies, some of them attacked by the police, calling for the equitable distribution of tortilla coupons. He charges that the surveys on which the census of poor people was based were conducted by "people from PRI and employees of Conasupo" including block chiefs, presidents of neighborhood associations, social workers, and activists from that party. We've seen it."

Moreover, he says, "there was discrimination when the census was taken. They went wherever they liked, not where they should have. For example, the census takers never set foot in at least 18 poor colonias [urban communities] in Alvaro Obregon [a Federal District administrative division] and in more than 30 in Iztapalapa, the ones where non-PRI organizations just happen to be doing political work."

Eduardo Martinez says that he knows more about the strategy that was used in identifying the beneficiaries of the free tortilla vouchers. "In an office of the Department of the Federal District we were allowed to see a document explaining that Information Modules would be established in each administrative division (there will be 60 in all) to correct the census of poor people. Along with each module there will be PRI vans distributing food, food coupons, and milk cards from Conasupo. The drawings show envelopes and boxes with the logos of PRI and Solidarity."

Although it is true that, as Ovalle Fernandez said, "even today (the tortilla subsidies) benefit a lot of people who don't need them," the government will still decide who "really needs them."

A Kilo Is Very Little

An explicit recognition that millions of Mexicans are going hungry, the "tortilla vouchers" and the future cards (people mockingly call them the credential of the poor or the poverty certificate) will still not relieve hunger. Populism cannot hide its true face: the psychological impact is more important than the real benefit. Saying "free tortillas" attracts more attention. A wage hike of 600 pesos a day (the price of a kilo of tortillas) is annoying and causes discontent because it is not enough and because all do not get it.

This is the opinion of the leader of the PAN [National Action Party] group in the Federal District Assembly of Representatives, Jose Angel Conchello Davila. He adds that "the administration can allege that in its income-redistribution policy it will take public funds and give away 600 pesos a day worth of tortillas to 3.2 million homes, in other words, that every day it will be spending 1.92 billion pesos to help many Mexicans who earn up to twice the minimum wage."

"But in wage terms this represents a minimum-wage increase of just six percent, or three percent in the case of twice the minimum wage. These are paltry sums, since the authorities admit that prices have gone up 20 percent. So, the tortilla subsidy doesn't make up for even a third of the buying power that wages have lost."

As far as the PAN president in the capital is concerned, the program is just "a joke" because it will be the pretext for keeping the minimum wage frozen and for projecting an overseas image "of economic stability even though there is actually poverty."

He contends that with this measure the administration "is handing out as charity what it ought to be dispensing as justice. First it makes people poor and then it gives them handouts, and handouts have never fulfilled the objectives of justice." He also asserts that behind the program "there is a suspiciously vote-getting intention, because at the end of this three month trial period there is talk of giving the needy their poverty credential so that they are entitled to keep on receiving government aid. It is not hard to imagine that the administration will hand out tortillas in exchange for votes or that everyone who wants to get his poverty credential will have to belong to the ruling party; this means trafficking in the people's hunger."

Moreover, the announcement of free tortillas supports the criticism that the National Solidarity Program itself has voiced of the official policy of food subsidies. In the book "El combate a la pobreza" [Combating Poverty] it describes the policy as "deficient" because "its size is minimal, and its coverage is narrow and concentrated in urban areas (mainly in the Federal District). Less than 15 percent of the government transfers via specific subsidies (tortilla coupons, milk) get to rural areas, where the bulk of the population living in conditions of extreme poverty is concentrated."

The reason is all too well known: political control of elections is more difficult in urban than in rural areas. The manager of Conasupo himself provided evidence that urban areas receive more attention from the government. The voucher-distribution program was based on a study conducted in 71 cities (to be expanded to 113), and the program will for the time being benefit "more than 20 million Mexicans in urban settings."

University researcher Armando Bartra gives this interpretation: The funds channeled into the battle against extreme poverty "merely represent the subsidy that is indispensable to prevent social explosions or to regain areas of the country or segments of society that the opposition has won over."

In other words, he says, to prevent social explosions the administration needs "to provide tranquilizers to those stricken by extreme poverty, who are not reacting to the shock treatment that the IMF has recommended."

In the opinion of PRD [Party of the Democratic Revolution] Deputy Pablo Gomez, the method that has been announced makes use, ironically, of a computerized system to assure the distribution of a food of pre-Hispanic origin. "The so-called modernization program seems to have no relationship to the new system of distributing tortillas," because what is needed is not a government handout but well-paid jobs and higher productivity.

The absurdity of the program, according to the National Coordinator of Indian Peoples, is that a whole team of survey-takers is going to define who is and who is not poor. This will only swell the payroll of the bureaucracy, because "we know that information and orientation modules will be opened, each with four survey-takers on the average. Others will go house to house checking up on the distribution of the card, which will even have a photograph on it. Another group will be in charge of the computerized system, and another will run, assess, and systematize the program. And this isn't counting the people who are going to be handing out fliers and posters and running the sound system for the government handout. In other words this represents, the latest technology to serve the poor." These people, however, will nonetheless remain poor.

El Salvador

FMLN 'Regrets' U.S. Military Aid Expedition

PA0812150890 Paris AFP in Spanish 0220 GMT 8 Dec 90

[Text] San Salvador, Dec 7 (AFP)—The Farabundo Marti National Liberation Front (FMLN) announced today that it "regrets that the Bush administration is getting ready to expedite the delivery of $48.1 million in military aid to the Government of El Salvador, which it called "warmongering and interventionist."

The State Department announced today that the Salvadoran Army has been granted $48.1 million to replace the military equipment damaged by the recent rebel attacks, especially the aircraft downed by surface-to-air missiles.

"The United States is no longer satisfied with the 10 years of bloodshed it has caused in our country. It is no longer satisfied with covering up the Jesuits' murderers. It now demonstrates its interventionist attitude once again," the rebel radio Farabundo Marti stated.

The rebel station insisted that the United States is "beginning to attempt to rescue the genocidal Armed Forces which have been seriously endangered by our military campaign launched on 20 November.

"We want to say that it is regrettable that the United States continues to intervene in El Salvador in that manner. The United States does not want to let the Salvadorans resolve the Salvadoran conflict.... It wants to decide the future of El Salvador, and it appears to be openly betting for war in our country," the radio station added.

For his part, Colonel Mauricio Vargas, Army deputy chief of staff, said that the aid "is a necessity. It is a good message to the FMLN that it cannot toy with the dialogue process."

Asked if the decision of U.S. Secretary of State James Baker—regardless of the reaction it will cause in the U.S. Congress—will unleash greater violence in El Salvador, Col. Vargas briefly responded: "I hope not."

The Salvadoran Government and guerrillas are engaged in a process of dialogue, under UN mediation, with the objective of ending a 10-year war that has claimed more than 70,000 lives.

Cristiani Pleased With U.S. Decision

PA0912002190 Mexico City NOTIMEX in Spanish 2206 GMT 8 Dec 90

[Text] San Salvador, 8 Dec (NOTIMEX)—Salvadoran President Alfredo Cristiani voiced satisfaction today over the White House decision to accelerate military aid to his country and endorsed the releasing of $42.5 million that had been withheld. "If the FMLN [Farabundo Marti National Liberation Front] were to decide to cease the armed confrontation, there would be no need for military aid, but it is demonstrating otherwise," Cristiani told the press.

The U.S. Government yesterday decided to expedite the delivery of the military aid that remained from last year's fiscal budget, as well as part of the aid approved for this year, which was not withheld by the U.S. Congress.

In October, the U.S. Senate agreed to allow delivery on half of the $86 million in approved aid contingent upon resolution of the murder of the six Jesuit priests and progress in negotiations between the government and the FMLN. Cristiani noted that although the withheld aid has not been released, "there is clear reference by the U.S. State Department that if the FMLN insists on generating violence, it can make use of the remaining aid."

Cristiani said that his government "has been compelled" to request the delivery of the withheld aid, "in view of the lack of goodwill on the part of the FMLN, as demonstrated by the 20 November offensive."

During its military operation, which the rebels say is intended to advance the peace process that began last April, the FMLN has used surface-to-air missiles which have destroyed at least two combat airplanes in less than 15 days.

The U.S. State Department announced yesterday that the aid would be sent immediately. This will allow the Salvadoran Army to replace those aircraft damaged by the guerrillas, including several helicopters that were hit with rifle fire.

Cristiani nevertheless denied that the FMLN's actions have "whittled away" the Air Force and stressed that "the pilots still have very high morale."

Cristiani clarified that "what is going to be sent to us is aircraft spare parts, which is what we traditionally have received."

The president said that his government is willing to remain seated at the negotiating table with the FMLN, but warned: "Our patience has a limit."

During a convention held by his party, the Nationalist Republican Alliance (Arena), Cristiani reiterated: "I am quite sure that the Armed Forces have the capacity to [words indistinct]."

Cristiani said: "We are willing to extend our hand in friendship to try to achieve peace by means of a political process, but there is a limit to our patience." He added, "We are going to achieve peace, one way or the other."

For his part, Arena's president-for-life, Roberto d'Aubuisson, told convention goers that the FMLN "has no alternative but to accept the easy way out that President Cristiani is offering them on a silver platter."

D'Aubuisson said that the FMLN "is on a dead-end street" because "the bearded one in Cuba (Fidel Castro) does not want to have anything to do with them, because if it is proven that he is meddling here, he will get the same medicine given to that man in Panama (Manuel Antonio Noriega)."

15 U.S. Citizens Said Arrested With Peasants

PA0712182090 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Dec 90

[Text] Approximately 27 families traveling to Hacienda Santa Cayetana have been arrested by members of the 5th Brigade in Monte Redondo canton in Tecoluca jurisdiction, San Vicente Department. We want the government to give us land to work with and live on because we have nothing, said the resettlers [repobladores] traveling to Hacienda Santa Cayetana. The peasants are asking the government to help them and to permit them to travel to the area.

Fifteen U.S. citizens traveling with the peasants were also arrested by members of the 5th Brigade, who said that the resettlers must have a special permit from ISTA [Salvadoran Institute of Agrarian Transformation] to enter Hacienda Santa Cayetana.

The 200 resettlers, who have been under arrest for several days, are experiencing serious problems obtaining food. They are also being constantly questioned, day and night, by the soldiers. It seems that with Arena [Nationalist Republican Alliance], one must ask permission even to live.

FMLN Communique on Unilateral Holiday Truce

PA0712195490 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Dec 90

[Communique issued by the General Command of the Farabundo Marti National Liberation Front (FMLN) in San Salvador on 5 December]

[Text] 1. The FMLN announces that a national and international crisis favorable to the achievement of agreements at the negotiating table is taking place.

2. Consequently, all of us should make it our primary goal and responsibility to speed up the negotiations and reach agreements on impunity; a purge; and our society's total demilitarization, which would allow us to end the war instead of just calling for a partial truce.

3. We do not believe in the government's alleged desire for our people to spend the end of the year in peace, because we know that the high command has never accepted truces, be they for Christmas or for vaccination campaigns.

4. Considering that we are currently in an important phase of the struggle for peace, the FMLN has decreed a unilateral truce limited territorially to the capital city of San Salvador, from 0600 on 24 December to 1800 on 25 December, and from 0600 on 31 December to 1800 on 1 January 1991.

In response to widespread demands for progress in the negotiations and in response to the difficult military situation in which our forces have placed the Army, the Arena [Nationalist Republican Alliance] regime must obtain a truce to reorganize itself politically and militarily, taking advantage of the feelings that fill the festivities at the end of the year.

If the government is truly interested in peace and in our people's enjoyment of peace, starting this Christmas it must step up the negotiations. We are willing to resolve by the end of the year those aspects of the negotiation that will allow for a cease-fire agreement.

[signed] FMLN General Command
[dated] El Salvador, 5 December 1990

Cristiani: Truce Offer 'Insufficient'

PA0812140490 San Salvador Canal Doce Television in Spanish 0303 GMT 8 Dec 90

[Report by Ernesto Rivas]

[Text] President Alfredo Cristiani today called the two-day truce announced by the FMLN [Farabundo Marti National Liberation Front] unjust and insufficient. The president also said that the guerrillas' decision to increase violence as a means to step up the dialogue was an error.

The government commented on the Christmas truce three days after it was announced by the FMLN. President Cristiani was adamant in saying that the people deserved a definitive peace that would once and for all terminate the sufferings generated by the war.

[Begin Cristiani recording] We are pleased that there will be peace and quiet on Christmas Eve and that the San Salvador community will not experience anguish at this time. But we do not think this truce is fair to the Salvadoran people. The Salvadoran people are sick and tired of the violence and terrorism generated by the FMLN. [end recording]

At the same time, Cristiani stated that stepping up the war will not force the government to be more flexible at the negotiating table, as the guerrillas claim. Cristiani reiterated that violence begets more violence.

[Begin Cristiani recording] We are not going to be blackmailed by the FMLN. We answer to the Salvadoran people and their will, to the Constitution and the laws in El Salvador. This is what motivates us, not terrorists who down electric posts or take other such actions. The FMLN must understand that it will not attain its goals through blackmail but rather through reasoning. [end recording]

Cristiani also ruled out that use of SAM-7's and SAM-14's represent a match of force between the Army and the guerrillas, and much less that the FMLN is an established army.

[Begin Cristiani recording] It is so illogical that there are two armies. There is only one army here: the one that is defined by the Constitution and is represented by the Salvadoran Armed Forces. The FMLN—as has been expressed by the Central Americans and other nations in the world—are armed rebel groups. They do not constitute any army whatsoever. Their claim that they are a national army for democracy is ridiculous. It should be very clear to all Salvadorans that two armies do not exist here. [end recording]

On the same occasion Cristiani claimed that the Army's existence is constitutional and that the activities it is currently carrying out is in response to rebel actions. The Armed Forces have the capacity to defeat the FMLN militarily, but the loss of civilian lives and destruction costs are too high, said Cristiani. He also stressed that this was not the best way to end the conflict. Nevertheless, in another part of the interview he said that the increased rebel attacks would force the Armed Forces to respond in the same manner.

Ponce: Government To Step Up Military Actions

PA0812220790 San Salvador Canal Doce Television in Spanish 0300 GMT 8 Dec 90

[Text] Defense Minister Colonel Rene Emilio Ponce said today that the Armed Forces will step up their military operations as a logical response to the indiscriminate violence of the FMLN [Farabundo Marti National Liberation Front]. According to Ponce, the Armed Forces will defeat the FMLN once again.

Defense Minister Ponce said that the FMLN has not gained any advantage over the Army with the use of surface-to-air missiles. He said: On the contrary, this shows that by using these missiles, the FMLN wants to abandon the dialogue and achieve power by force. He said, however, that there are already plans to neutralize the effects of the sophisticated missiles.

[Begin Ponce recording] We have already installed equipment in airplanes to afford some protection against the effects of the surface-to-air missiles. There are situations, however, in which there is no time to activate the equipment. We are also studying tactical maneuvers pilots can use to reduce the missiles' effectiveness. [end recording]

At the same time, Col. Ponce reiterated that for the moment, the government controls all the operations of the guerrilla offensive that started on 20 November. The FMLN's aggression against the people surpasses the limits of tolerance and patience. That is why the Army has reacted on the battlefield.

[Begin Ponce Recording] The Armed Forces have reacted in comparable measure to the aggression the FMLN has provoked on the battlefield. We are fighting the FMLN and we will continue to do so until they desist from this mistaken path. [end recording]

It would seem then that armed violence will continue in our country. The FMLN threatens to increase its actions, and the Army says it will fight back. It is not known if the FMLN's alleged truce will be accepted by the government. It would seem that the agreements reached at the negotiating table are going down the drain.

FMLN Commander Vows Offensive To Continue

PA1012013690 San Salvador Radio Cadena YSU in Spanish 1230 GMT 7 Dec 90

[Text] Commander German Serrano, of the FMLN [Farabundo Marti National Liberation Front] Joint Command in Chalatenango, has announced that the military campaign that began on 20 November is to continue for an indefinite period. He said that the level of fighting will rise throughout the country. The guerrilla leader reiterated the FMLN's total willingness to achieve agreements at the negotiating table to completely demilitarize the country. At a news conference with local and foreign newsmen, in the town of Ojo de Agua, Serrano warned that the Army and the Air Force could use napalm and white phosphorus bombs in an effort to overcome the delicate situation they are grappling with since the downing of their airplanes. These bombs would harm civilians. This is what he had to say on the matter:

[Begin recording, in progress] [Serrano] ...as for what the reaction of the Salvadoran Armed Forces will be, I do not think that they can do more than what they have already done throughout this decade of war. They have done everything. They have used everything. What they may do is start to use other kinds of weapons, like different kinds of explosives, but that would have a high political cost for them and it would be very harmful to the people. The number of civilians killed would go up.

We do not think the Armed Forces can achieve greater capability in terms of its troops. They lack a higher military capacity to escalate their reaction. They may conduct large-scale bombings. They have been doing that all along without an impact on our units, just on civilians. We have clearly reported that in La Laguna, the Army destroyed over 10 two-home dwellings. They strafed a number of cantons like (Sesuya), San Jose, Los Prados, (Cocotalito), Aldea Vieja, Plan Verde, and Camalote.

If you could go and check this situation for yourselves, it would be much better. The military escalation could harm the people, because that is all they are able to do. Their troops in the battlefield can no do more than what they have done over the past 10 years.

[Reporter] What sort of explosives can be used?

[Serrano] We have heard the rumor, but I doubt the Army and the government can use napalm and white phosphorus. If they decide to use them, the political cost would be very high. They have to think this out carefully. The entire nation and the international community would condemn them. [end recording] The Salvadoran guerrillas began a nationwide operation on 20 November called Punish the Antidemocratic Armed Forces, which is continuing in some departments of the country.

FMLN Leader on Offensive, Use of Missiles

PA0812222290 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 7 Dec 90

[Report by Herbert Vitelio Luna; passages within quotation marks are recorded]

[Text] The Farabundo Marti National Liberation Front [FMLN] has described the possibility of reaching agreements at the negotiating table over the next days as crucial, despite the fact that there is an adverse climate for the peace process created by the radical positions adopted by the government.

Mario Lopez, member of the FMLN political-diplomatic commission, has stated that there are currently unfavorable conditions for holding negotiations. He added, however, that the guerrillas are hoping to get positive results in December. Within this framework, the guerrilla leader explained that December is a decisive month for reaching agreements which result from the steps taken by Peruvian Alvaro de Soto, the UN representative at the dialogue.

According to Mario Lopez, the government is making public its willingness to negotiate, but it has created a negative climate for the negotiations, which should be defined and agreed upon within the next few days.

[Mario Lopez] "If the government is really interested in attaining peace so that our people can enjoy it this Christmas, it should speed up the negotiations. We are willing to resolve, by the end of the year, the issues in conflict at the negotiations that will allow us to attain a cease-fire agreement.

[Luna] "Mario Lopez, can we consider the last days of the year a crucial period for the negotiations?

[Lopez] "We consider the end of the year a very important period, and we hope that the steps taken by the representative of UN secretary general will be productive. We see that despite the fact that the government publicly states its willingness to advance the negotiations, in reality, the conditions show that there is really not great determination on their part to reach agreements."

In a telephone interview with this radio station from Mexico City, FMLN leader Mario Lopez explained that the government and the FMLN should reach agreements, adding that to create the proper atmosphere, the rebels decreed a Christmas truce to demonstrate which side is just making statements for propaganda purposes.

[Lopez] "Why is there no humanitarian sense in practice? Why do people continue to disappear? Why do arrests continue to take place? Why do murders continue to occur?

"The goverment does not match its humanitarian awareness and words with its deeds. Let us see who propagandizes this time. We proceed from experience."

Asked about the military maneuver described as punishment of the antidemocratic Armed Forces launched by the rebels on 20 November, Mario Lopez explained that the FMLN had warned the government about the operation so that it would prevent such warring activity through expeditous negotiations, but it never did. Within the framework of guerrilla actions, several missiles have been fired and have downed various aircraft.

According to the rebel leader, this is done only in combat areas against planes that attack guerilla positions.

[Lopez] "Newspaper headlines have stated that they [the Armed Forces] had recovered Morazan and achieved many objectives. The FMLN had been neutralized, so we responded to this. Now, under what circumstance have planes and helicopters been shot down? They have been shot down after bombing and machine gunning not just FMLN forces, but also the civilian population.

"When we are confronted with the possibility that this may deepen the war and obstruct negotiations.... [changes thought] It would be like asking us, as someone said, to pit a tied up donkey against a loose tiger. What we are doing is responding to the situation to which we are forced to respond. This means that the missiles will not be used against aircraft that are not bombing or shelling FMLN positions.

"Undoubtedly, within the framework of war, we will respond with the use of missiles. We will never use missiles against civilian aircraft."

Mario Lopez said that the SAM-7 and SAM-14 surface-to-air missiles will only be used against aircraft that bomb or shell rebel positions within the framework of combat. For him, December is a very important month in the negotiations and, over the next few days, agreements to eliminate violence should be agree upon, which will allow us to enter the next year with a final cease-fire.

Weekly Roundup of El Salvador Combat Activity

PA1012035190

[Editorial Report] San Salvador Radio Cadena YSU in Spanish at 1200 GMT on 4 December carries five minutes of military reports on Farabundo Marti National Liberation Front (FMLN) actions and clashes between the Salvadoran Army troops and FMLN forces.

The first report states that "according to official sources," FMLN guerrillas "partially destroyed" the National Administration for Telecommunications offices in the city of Tonacatepeque early in the morning of 4 December. The sources reported that the offices experienced "considerable property damage" and that "no casualties have been reported."

The next report states that "26 casualties is the preliminary result of bloody clashes between Salvadoran Army troops and FMLN rebels near La Laguna, Chalatenango Department." The report adds that eight guerrillas and two soldiers have been killed and five guerrillas wounded in the clashes.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 5 December airs ten minutes of military reports on FMLN actions throughout the country.

The initial report states that National Army for Democracy forces attacked the new Military Detachment No. 4 headquarters near San Francisco Gotera at 0300 on 4 December. "The attack was carried out with 81-mm mortar fire and rifle and machine-gun fire." According to the station, "preliminary reports indicate that the military installations suffered partial damage and many casualties."

The next information cites a Modesto Ramirez Front report as stating that FMLN forces inflicted 20 casualties on Belloso Battalion troops at 0600 on 4 December in San Jose Guayabal Jurisdiction, Cuscatlan Department. The casualties include one lieutenant, one sergeant, and one seriously wounded soldier. "We also seized the following war materiel: five M-16 rifles with their corresponding equipment, two backpacks, and one LAW rocket launcher."

The last report states that at 0430 on 4 December, National Army for Democracy forces attacked Las Delicias Energy Substation in San Martin, San Salvador Department with mortar fire "totally destroying the substation."

San Salvador Canal Doce in Spanish at 0300 GMT on 5 December carries a number of military reports on FMLN-Army clashes. The main report states that according to "military sources," FMLN columns attacked Army positions in Usulutan, La Libertad, and Morazan Departments on 4 December, killing one soldier and wounding seven others with mortar and rifle fire. According to the Army report, five rebels were killed and five others were wounded.

Radio Cadena YSU at 1200 GMT on 6 December cites an Armed Forces Press Committee bulletin stating that four rebels were killed in clashes with government troops in San Jose Guayabal Jurisdiction, Cuscatlan Department. The report adds that one soldier was killed and one minor wounded by shrapnel during clashes in Jiquilisco, Usulutan Department.

Radio Venceremos at 0000 GMT on 7 December airs a series of military reports on FMLN actions between 3 and 5 December. The first report states that FMLN forces attacked National Guard positions in San Jose Guayabal, Cuscatlan Department on 5 December, inflicting 10 National Guard casualties. The report adds that the three-day FMLN maneuver in that area has inflicted "68 Army casualties."

The next report says that the FMLN carried out an ambush between Sonsonate and San Salvador inflicting 12 casualties. The report adds that at 1500 on 3 December, FMLN forces clashed with Cayahuanca Battalion troops in Los Prados Canton, "inflicting 17 enemy casualties."

Another report states that "as of 1700 on 5 December, the following has been the reported results of the FMLN operations: 83 casualties including the pilot, copilot, the two artillery experts, and an assistant from the plane downed by our forces. We have seized one M-60 machine gun with nine cartridge belts, and 500 .50-mm cartridges." The report adds that four rebels fell in combat during these operations.

The last report states that National Army for Democracy sappers downed 28 utility poles in Sensuntepeque Jurisdiction on 6 December.

Envoy to U.S. Says New Evidence in Jesuits Case

PA0912135090 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 7 Dec 90

[Text] Washington—Miguel Salaverria, Salvadoran ambassador to the United States, announced in Washington that new evidence has turned up in the murder of six Jesuit priests, which took place in San Salvador one year ago. At a news conference held at the National Press Club in Washington, Salaverria revealed that some evidence which had been withheld up until now—namely, some cartridges used in the murder—was presented to the judge handling the case three or four days ago.

The envoy said he did not know who had withheld the evidence, but said he believed that the Society of Jesus was responsible. He added that the trial of nine officers implicated in the case will begin in a matter of days. He said that he had hoped to announce at the news conference the start of the trial, but noted that the report on ballistic tests conducted on the new evidence is still pending. Salaverria said that the cartridges apparently came from a machine gun that belonged to a soldier who was not on active duty. He commented on charges made by U.S. Congressman Joseph Moakley that top Salvadoran commands have hidden, destroyed, or forged evidence to hamper the judicial investigation to identify the murderers. He said that the Army has been cooperative, but, he noted, nobody is perfect, and those that carried out the crime have friends who try to protect and defend them. Nevertheless, there are many more people among the Armed Forces and the public who want to see that justice is done. Six Jesuits and two women were murdered by Salvadoran soldiers on 16 November 1989 at the Central American University, in the midst of an offensive launched by the Farabundo Marti National Liberation Front.

FMLN 'Press Bulletin' on Case

PA1012010390 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 8 Dec 90

["Press Bulletin" issued by the Farabundo Marti National Liberation Front, FMLN, in El Salvador on 7 December]

[Text] FMLN Press Bulletin

1. With regard to the death of Captain Herrera Carranza in San Francisco Gotera on 20 November, we report that we have continued to investigate clear evidence to prove that Capt. Herrera was murdered. His murder is part of a plan to eliminate soldiers involved in the Jesuit massacre. This plan is being carried out to prevent identification of the military chiefs who masterminded the massacre.

2. Through our investigations, we have determined that the bullet that killed Capt. Herrera Carranza entered the back of his neck and went out through his mouth. In other words, he was shot from the back and at close range. When Capt. Herrera was killed, he was not a target of our forces' rifle fire.

3. During a news conference today, Colonel Rene Ponce asked us to provide proof of our report on the murder of Capt. Herrera Carranza. We reiterate that Herrera's murder was ordered by the High Command, which decided to silence him, because he knew important information in the Jesuit case. Capt. Chavez was murdered in the Escalon neighborhood for the same reason. Therefore, we urge the defense minister to authorize an autopsy on the bodies of the aforementioned captains. If he refuses, Col. Ponce would be admitting that what we have been asserting with regard to a criminal plot to eliminate key witnesses in the UCA [Central American University] case is true.

4. We will continue to conduct our investigations and we will soon present new evidence reasserting our reports.

El Salvador, 7 December 1990

Nicaragua

Radio La Primerisima Back on Air in Mid-Dec

PA1012015690 Managua Domestic Service in Spanish 1815 GMT 7 Dec 90

[Text] Nicaraguan radio station Radio La Primerisima is expected to be back on the air next week. A few months ago, this station was the target of a terrorist attack that completely destroyed the station's transmitters located in Santa Clara, north of Managua.

Radio La Primerisima reporter Carlos Salgado told Radio Nicaragua that Radio La Primerisima would be back on the air with its regular programming within the next few days. Salgado stated that La Primerisima would be back on the air thanks to the help of the Nicaraguan people and U.S., European, and Canadian solidarity groups. Let us listen to our colleague Salgado:

[Begin recording] [Salgado] Our radio station will be on the air in mid-December. We are now dealing with the paperwork that has to be presented to the government. We will be back on the air in two phases. During the first phase, we will use a 1 kHz transmitter, which we [word indistinct] here in Nicaragua. We bought it thanks to the solidarity of the Nicaraguan people. In the second phase, we will use a 10 kHz transmitter that was donated to us by European, U.S., and Canadian solidarity committees.

In mid-December we will transmit the news, [name indistinct], and Without Borders newscasts, and we will make some changes to the entertainment programming, including music programs. Because of the fact that we are back on the air two months after the terrorist attack conducted on 30 September demands these changes.

[Reporter] What have the authorities said about the terrorist attack? Do they know who carried it out?

[Salgado] The police maintain what it has been telling the media. The police have stated that there are two police artist sketches of the alleged terrorists and vehicles that perhaps match the description of the vehicles used during the attack are being investigated. The case is still open, but we have not had any other official information or new evidence.

[Reporter] Mr. Salgado, you may use this station's microphones to send a message to Radio La Primerisima listeners.

[Salgado] We wish to thank the Nicaraguan media for expressing its solidarity, which will allow us to be back on the air in mid-December. This message includes each of you. I want to thank the Radio Nicaragua workers who have expressed their solidarity with us. As fellow journalists, we have all struggled together to defend freedom of expression in Nicaragua. [end recording]

* Editorial Assesses First 180 Days

91CA0026B Managua LA PRENSA in Spanish 29 Oct 90 p 4

[Text] The new government's performance could not be assessed before it had been in office 180 days. Any analysis would have been unfair. Countless factors involved in every transfer of power had to be given time to fall into place, factors that in Nicaragua's case were intensified by the sweeping character of the change itself. Now that 180 days have passed, we must, in analyzing the government's performance objectively, ask ourselves whether it has lived up to the expectations that led Nicaraguans to vote for change on 25 February. Each of us has an answer. You know whether much or little has been done, whether you would vote the same way again or prefer a Sandinist government for six more years...

One sensible approach would be to make such an assessment as if it were an accounting exercise, placing the good or positive things in one column called pluses and the bad or negative things in another called minuses so that readers can draw their own conclusions and decide whether the investment that they made on 25 February in this wonderful venture called Nicaragua has been good or bad, whether it will or will not be profitable for them, their children, and society.

Minuses

- From the outset the government has distanced itself from the rank and file that brought it to power. It has distanced itself from the people who voted it in. The criticism that I am voicing is an extremely serious one because the government has lost some support for its policies and decisions and has thus grown weaker.
- The government has distanced itself from opposition unity, which could have meant political backing for its efforts. It has become so unusually distant that the vice president has been removed from the governmental structure, thus weakening it and, above all, excluding divergent opinions that are not necessarily in the right but that are needed as part of the democracy that we ought to be practicing.
- The government has been unable to fully exercise power so that its decisions can be implemented to produce the intended effects.
- As for devolutions (part of the exercise of power) and specifically as regards the case of confiscations under the Absence Decree, the government has been unable to dispense justice in accordance with the law, much less in the real world. It should have returned those properties unofficially, without the interested party needing to engage in any formalities. The Absence Decree is so abusive that unofficial devolution was warranted.
- The government has been unable to reduce the size of the army, which is the worst enemy of its plans because it absorbs most of its revenues and, at the same time, represents a permanent Sword of Damocles, even though some naively believe it to be impartial because ranking officers attend government ceremonies.
- The government has been unable and in the short run will remain unable to reform countless laws that it inherited from Sandinism, that tie its hands, and that prevent it from spurring programs that are vital to the country's recovery.
- The government has implemented an Economic Adjustment that is correct in theory but that is too harsh and carries an inadvisable social price tag which threatens the country's social and political stability.
- The government has been unable to tell the country and the people who voted for it that most of the bad things that I have indicated here are due to the disastrously weakened condition in which Nicaragua found itself after ten years of Sandinism, in addition to the many irregularities that occurred from last February to April, along with the passage of laws designed precisely to hamper the new government and its exercise of power. The above is closely tied to its lack of political support, which has led to a high degree of discontent, lack of understanding, and intolerance, which to an extent is to be expected, among the hardest hit segments of the population.

Not everything is bad, however. There have been a great many accomplishments, many good things that we have perhaps forgotten but that make their presence felt in our everyday lives. These are the things that have enabled us to gradually carve out the path of our fledgling democracy, to which we all have an obligation to contribute. Let us move on to the pluses.

Pluses

- Peace. The Nicaraguan people longed for peace; it was their dream. The new government has brought peace to the people and created the mechanisms for keeping it and making it an everyday event.
- Military service. In one fell swoop the new government did away with the horrible institution that deprived women of their sons and husbands and then returned them in empty coffins. Calm was thus restored, and hope again filled Nicaraguan homes.
- Reconciliation. Bringing peace and doing away with military service has fostered a spirit of reconciliation that the government has said motivates it and that it must uphold in every one of its actions.
- Freedom of expression. "...without the lash, or jail, or rifle bullets to repress ideas," as Edwin Castro put it in his beautiful poem, the new government has guaranteed the full exercise of freedom of expression. This situation allows for criticism, represents a brake on and a threat to deviations and corruption, and fosters the democratic process itself.
- The dialogue. The government has embarked on a process of dialogue as an indispensable part of the country's economic, political, and social takeoff. This dialogue is part of the practice of democracy; it is just beginning and has its defects, but it is democracy nonetheless.
- Individual guarantees. Equality before the law, the right to life, freedom of assembly, freedom of opinion, the right to self-defense, the right not to be persecuted, these are daily practices in Nicaragua today. No longer is there anguish over jailings and abuses, unjust arrests....

Conclusions

I personally believe that we Nicaraguans have a unique opportunity to be reborn from the ashes, like the phoenix, and to rebuild Nicaragua. We must begin, though, with a comprehensive change in ourselves, a change of attitude about current problems. We must realize that Nicaragua is on the move and will make headway but also that it needs the cooperation of all Nicaraguans, who must show a new mind-set of reconciliation. We must also realize, however, that to this end we must place the interests of the masses ahead of personal, partisan, ideological, or group interests.

* Commentary Defends Government Strategy

91CA0026A Managua LA PRENSA in Spanish 26 Oct 90 p 4

[Text] It is indeed encouraging that the current government is not being criticized as authoritarian but as being overly democratic. It is not being denounced for employing force to impose its will, as all of the governments this century have done, but for resorting to dialogue, compromise, and consensus-building.

It is a soft government, exclaim those who condemn the Chamorro administration. Dona Violeta is in government, but the Sandinists hold power, the vice president of the republic remarked with irony last week in Panama.

He was trying to simplify an extraordinarily complex process. Government and power are not mutually exclusive political concepts or phenomena. On the contrary, government and power condition each other.

Dona Violeta's government certainly does not hold absolute power. It cannot and does not want to, because the degree of power that Sandinism retains and the new administration's democratic, conciliatory philosophy do not permit it.

But Sandinists have a real degree of power not because the new government has yielded it to them out of kindness or a soft heart. Sandinism has a degree of power simply because it was not radically overthrown, because it was not defeated in an armed conflict, because change in Nicaragua is gradual, circuitous, and complicated, not sudden. By the same token, however, it is irreversible.

Just six months ago Sandinism held absolute power. Now it merely retains a degree of power. The situation has changed and continues to change. Sandinism is strong today, but much less strong than last year, and no doubt next year it will be even less strong than it is now.

The outlook for Sandinism is that it will grow weaker, not stronger as time passes. In contrast, the outlook for democracy is that it will grow stronger by the day. Sandinism represents a past that is disappearing slowly and very reluctantly. Democracy represents a future that is consolidating slowly as well and amid manifold difficulties.

It is all a matter of patience, but steadfastness too is required in building democracy and consolidating freedom.

Transition is like that. It represents the struggle of the new that is painfully making way against the old that is struggling desperately not to disappear.

Whoever fails to grasp the tortuous dialectic of the transition will not be able to understand what is happening in Nicaragua.

The troubled relationship between government and power is unfolding in the former's favor. The government has more and more power, while Sandinist power no longer has any chance of governing.

The relationship is troubled but need not be confrontational. It is, rather, a question of persuasion, manifesting itself in dialogue, a search for consensus, an effort at a social compact to reduce the inevitable costs of change.

In the final accounting, the mission of the current government, which will be in office for six years and nine months, is to lay and consolidate the groundwork for the democratic society that is being built little by little and that cannot be invented or improvised overnight.

The Nicaraguan political class ought to engage in a serious debate on the nature and special characteristics of the change that is happening in Nicaragua. Such a debate will not, of course, solve all problems, but it can shed some light on what is going on and instill confidence that the democratic process is inevitable and irreversible.

Ever since the last century there has been discussion of the problems involved in a transition from capitalism to socialism, from a bourgeois dictatorship to a communist one.

The time has now come to begin a debate on the transition from revolutionary authoritarianism or the new democratic society to the rule of law, to economic freedom with social justice and individual dignity.

In the final analysis, the struggle between government and power is the crux of our transition to democracy, freedom, modernization, and economic and social progress.

Panama

Official Says U.S. Troops Acted 'Unilaterally'

PA0812011290 Paris AFP in Spanish 2357 GMT 07 Dec 90

[Text] Panama City, 7 Dec (AFP)—The U.S. troops that quelled the Panamanian police revolt on 5 December acted "unilaterally and long before" President Guillermo Endara had requested their intervention, a ranking Panamanian Government source admitted today.

The U.S. intervention occurred after Colonel Eduardo Herrera, who headed the revolt, captured two U.S. colonels, including James Steel, commander of the U.S. Southern Command Military Support Group, stated the official, who chose to remain anonymous.

He said that when Herrera and more than 50 elite troops occupied the Public Force [FP] Central headquarters, Steel was there, attending an urgent meeting with Deputy Minister Ramon Lima and other Panamanian and U.S. officials.

According to the source, Steel radioed General William Harzog, chief of the U.S. Army South, for support after they were attacked with tear gas and heavy caliber gunfire by those loyal to Herrera.

Steel, who according to a military source was chief of military advisers in El Salvador from 1985 to 1987 and later coordinated the delivery of U.S. weapons to the Nicaraguan contras, supervised training, joint patrols, and civic actions by the U.S. Army.

Following the overthrow of General Manuel Noriega by U.S. troops in December 1989, the Panamanian Army was transformed into the so- called Public Force.

"The experiment of turning them (the policemen) into a loyal police force failed," however, said the official source, who predicted future purges and changes in the FP.

During Herrera's uprising, the FP presumably remained loyal to Endara, although it did not participate in quashing the movement.

On Tuesday, 4 December, 10 minutes before Herrera seized the police headquarters, President Guillermo Endara said that he would not request help from the United States, because he had the support of all the police garrisons throughout the country.

The conservative newspaper LA ESTRELLA DE PANAMA reported on 7 December, however, citing intelligence sources, that eight out of the nine police garrisons "offered their support to Herrera, until the gringos (North Americans) surrounded the police headquarters."

According to official reports, Herrera and 36 of his followers were arrested after they surrendered to the U.S. troops, while 50 others are still at large.

Approximately 200 U.S. troops, supported by armored vehicles and helicopters, participated in the 5 December military action, resulting in one Panamanian policeman being killed and six wounded—including one U.S. soldier.

The Renacer Penitentiary, where Herrera is being held, continues to be guarded by U.S. troops supported by armored vehicles.

U.S. Patrols Extended 'A Little Longer'

PA0812033890 Paris AFP in Spanish 0238 GMT 8 Dec 90

[Text] Panama City, Dec 7 (AFP)—Ricardo Arias Calderon, Panamanian first vice president, announced on Friday, 7 December, that the presence of U.S. military patrols in Panama—which work jointly with the local police—will be extended "a little longer" than expected.

"It may be expedient to extend the joint patrols a little longer," said Arias Calderon, despite the fact that the United States had reported that the U.S. military presence would discontinue in December.

Approximately 700 U.S. military policemen have cooperated with the Panamanian Public Force [PF] since the 20 December 1989 U.S. military intervention that toppled General Manuel Antonio Noriega.

The extension of the joint patrols was announced two days after U.S. troops quashed a police revolt headed by Retired Colonel Eduardo Herrera, the former FP chief.

Arias Calderon said that Colonel James Steel, commander of the U.S. Army military support group, and other high-ranking U.S. officials were among the hostages held by Herrera during the short-lived uprising and occupation of the police headquarters.

That day, for approximately an hour, Arias Calderon added, Deputy Government Minister Ramon Lima, [Panama Province] Governor Plutarco Arrocha, journalist Edmundo Dolphy, and [San Miguelito] Mayor Ruben Campos were also detained.

"Steel was among them," confirmed Arias Calderon, who did not specify whether the U.S. colonel had directly requested U.S. troops to surround the police headquarters, where Herrera had entrenched himself.

A high-ranking government source told AFP that the U.S. troops "had intervened unilaterally and much before" President Guillermo Endara had requested it.

Arias Calderon stated that 28 rebel soldiers are still at large, including 23 officers, while 31 policemen, three officers, and an unidentified civilian were arrested.

U.S. Intervention Arouses 'Protests'

PA0912022190 Havana PRENSA LATINA in Spanish 1551 GMT 8 Dec 90

[Report by Raimundo Lopez]

[Text] Panama City, 8 Dec (PL)—The U.S. Army's renewed intervention in Panama's internal affairs less than one year after the invasion, and amid the severest of social crises confronted by that government, still today has the isthmian nation shaking as this turbulent week comes to a close.

Heavily armed U.S. soldiers backed by assault vehicles on 5 December attacked approximately 40 Panamanian policemen as they made their way to the legislature to present a list of 12 demands for social and salary improvements.

The episode began on the afternoon of 4 December, with the spectacular rescue of Retired Colonel Eduardo Herrera, former chief of the Public Force, from a maximum security facility jointly guarded with the U.S. Armed Forces.

Herrera, who was retired in August, later that day occupied the central police headquarters without encountering any resistance. He sought the rest of the military corps' support, but he was immediately surrounded by Southern Command troops at President Guillermo Endara's request.

The U.S. soldiers attacked the Panamanian policemen as they walked to the legislature on the morning of 5 December, in a violent operation that left an official result of one person dead and five wounded, among them two local reporters.

The incidents coincided with protests arranged by the Right to Life Coordinating Board, formed by government and private labor unions, which began on 4 December with a march by over 100,000 people.

The workers also staged a 24-hour nationwide strike on 5 December, to demand an end to widespread dismissals, payment of bonuses that have been annulled, and the withdrawal of government bills to reform the labor and social security laws.

The government reacted harshly to the popular demonstrations and President Endara ordered the dismissal of all of the strikers, for which he sent a bill to the legislature that will be retroactive.

The authorities have insisted on linking the labor leaders to the uprising staged by the group of policemen, a charge that the labor unions have strongly rejected.

This renewed U.S. military intervention has aroused protests among broad isthmian sectors, and Endara's request has been condemned and described by the journalists union as subservient.

Panama is subject to U.S. desires and whims, and abroad we are viewed as a colony, said Carlos Ivan Zuniga, president of the pro-government [as received] Popular Action Party (PAPO).

Meanwhile, the labor unions on 7 December announced that they will resist the government's decision to fire all the government employees who participated in the strike, which portends the conflict's intensification.

Mulino on International Support During Crisis

PA0712224090 Panama City LA PRENSA in Spanish 7 Dec 90 p 40A

[Article by Nubia Aparicio S.]

[Text] Deputy Foreign Minister Jose R. Mulino on 6 December expressed his satisfaction with the support that the Panamanian Government has received from friendly and democratic nations from several parts of the world after the U.S. forces quelled a military rebellion a few days ago.

Mulino stated that on the same day the "coup d'etat" was put down, President Guillermo Endara received messages from Venezuelan President Carlos Andres Perez and Argentine President Carlos Menem, stating their solidarity with the Panamanian Government during the difficult times for democracy.

The Deputy Foreign Minister also stated that U.S. President George Bush and Costa Rican President Rafael Angel Calderon had given their support for the Panamanian Government.

Mulino went on to say that on 6 December, Colombian Ambassador to Panama Jaime Fernandez called to communicate his government's decision to support the Panamanian Government, "during the difficult times we were experiencing, and when the Panamanian democratic system was put to the test and survived, given the community's support and civic spirit."

Mulino said that he had no doubt that during the day on 6 December he would continue to receive expressions of support on behalf of the nations with which Panama has diplomatic relations.

The deputy foreign minister concluded by saying that there is no question that the issue receiving support here is Panamanian democracy, when military forces and civilians, with a coupist mentality, tried to impose upon the nation and the people the ominous black cloud of a military government.

Mutinous Officer Turns to Guatemala for Asylum

PA0812211690 Panama City EL PANAMA AMERICA in Spanish 8 Dec 90 p 1

[Text] National Police Captain Rafael Jurado, who was involved in the attempted coup against President Guillermo Endara's government, on 7 December requested diplomatic asylum at the Guatemalan Embassy in Panama, an official source has informed EL PANAMA AMERICA.

Jurado was the head of the Riot Police, which joined in the uprising led by Retired Colonel Eduardo Herrera, former National Police chief, on 4 and 5 December.

The coupist officer apparently selected the embassy in question for asylum because his wife is Guatemalan and she also works at the embassy.

Eighteen of the policemen who participated in the failed coup attempt are currently fugitives from the law, and there are unconfirmed reports that three other soldiers, besides Jurado, have sought asylum at the Guatemalan Embassy.

Mentioned among the three other soldiers at the embassy are G-2 Lieutenant Ramos Ocana, who had been discharged during the Public Force purge following the U.S. invasion a year ago.

Meanwhile, the Judicial Technical Police (PTJ) on 7 December captured three policemen who participated in the commando action that facilitated Col. Herrera's escape in a helicopter from the Naos Island prison. Among those arrested is a sergeant surnamed Marciaga.

Embassy Grants 'Provisional Asylum'

PA0912013090 Hamburg DPA in Spanish 0046 GMT 9 Dec 90

[Text] Panama City, 8 Dec (DPA)—Panamanian Foreign Minister Julio Linares confirmed today that the Guatemalan Embassy in Panama has granted "provisional asylum" to three Public Force members involved in the attempted coup quelled by U.S. troops stationed in Panama.

The Guatemalan mission reported that on 7 December, former Riot Police Chief Captain Rafael Jurado and Sublieutenants Carlos Alberto Rumbo Perez and Dario del Cid entered the Guatemalan Embassy. Jurado's wife was born in Guatemala and works at the Guatemalan Embassy in Panama.

Foreign Minister Linares explained that, based on the Caracas Convention, the Guatemalan Embassy granted "provisional asylum" to the policemen. Linares said that the Guatemalan mission is waiting for a Panamanian Foreign Ministry report on the status of the aforementioned policemen before assigning definitive refugee status.

Linares said that he will ask the Attorney General's Office and the Government and Justice Ministry to present a report on the situation with regard to Jurado, Rumbo, and Cabeza [names as received].

According to the Panamanian authorities, of the 63 who were initially involved in the attempted coup, 56 are policemen.

FP Controls Entrance to Embassy

PA1012005590 Panama City LA PRENSA in Spanish 9 Dec 90 p 1

[Report by Elkilia Santos]

[Text] Former Public Force [FP] Captain Rafael Jurado, who was involved in the 4-5 December attempted coup against President Guillermo Endara's Government led by Retired Colonel Eduardo Herrera, sought asylum at the Guatemalan Embassy on 7 December. Jurado selected the Guatemalan diplomatic offices for asylum because his wife is a Guatemalan and works at this embassy.

On the afternoon of 8 December, the entrance to the building where the Guatemalan Embassy is located—on 55 Eric Del Valle Street in Panama City—was guarded by four FP members. We asked an embassy employee for information and were told that it was the ambassador's day off and that Jurado was "resting" at the time. The person said that no other person had sought asylum at the Guatemalan Embassy, but that additional information on the matter could only be given by the Guatemalan ambassador.

When we left, two FP members armed with T-60 rifles asked to see our identity cards as they checked the people in the area.

Furthermore, Technical Police Director Leslie Loaiza stated that he has not been officially notified of the people who have taken asylum. He said that he had received information that these officers [not further identified] were going to seek asylum at a diplomatic office at 1800 on 7 December. Loaiza noted that several diplomatic headquarters and homes of ambassadors had been checked, but with no results.

Arias Calderon Discusses Attempted Coup

PA0712221990 Panama City Circuito RPC Television in Spanish 1742 GMT 7 Dec 90

[News conference by First Vice President Arias Calderon with unidentified reporters at the Ancon police garrison in Panama City on 7 December]

[Text] Three labor union leaders are allegedly involved in the attempted coup. According to Ricardo Arias Calderon, first vice president and minister for government and justice, who spoke at a news conference, these leaders are Isaac Rodriguez, Antonio Ferrer, and Cesar Best. He added that a strict investigation will be conducted.

[Begin recording] [Arias Calderon] In addition to the U.S. forces, Panamanian sectors played an important role in thwarting the attempt. I must point out that the great majority of National Police members turned a deaf ear to the call to join the rebels. This is especially true of those who were detained here. Many of them, members of the National Police Directorate, did not support the coup attempt. They got out as soon as possible, and their departure marked the beginning of the end of the attempted coup....

I would also like to highlight the very courageous actions of several civilians holding government posts. These civilians include the deputy government minister, who not only was held here for several hours, but returned in the name of the government after we received the U.S. forces' support. It was he who was invested with the government's power to order arrests and even to open fire, should it have been deemed appropriate. He returned and went alone into the building that was being held by the coupists. After two hours, he achieved what I consider as decisive in ending the attempt. He succeeded in having the National Police members allowed to say whether they were being held or were here of their own free will. All of them said they were being held and chose to leave here. This was the beginning of the attempt's end.

I would also like to praise National Police Director Ibrahim Asvat and secretary Toro. The latter was one of those who was held longest and passed through this experience with great strength. Asvat was in charge of keeping in touch with all police garrisons and zones and confirming the great majority of the police members' loyalty to the Constitution. He has been here since the pre-dawn hours. Personally, he even aborted the attempt of a vehicle carrying armed people to leave, whose objective and purpose was unknown but certainly was not peaceful. Asvat personally prevented the vehicle from leaving and forced the men to surrender their weapons and abandon their purpose.

I also wish to highlight the work that several governors did at the executives' request. All of them were contacted. To the best of their ability, they coordinated their actions with the provincial police directors and together preserved peace and tranquility and unrestricted adherence to constitutional order. These are some of the aspects I wanted to stress.

I will now mention a subject that is in the minds of many people: why it was necessary to request the support of the U.S. forces on the night of 4 December. The need arose because Panamanian democracy and the nation's future was at stake. There was a time, between midnight and the pre-dawn hours when, taking advantage of surprise and with the support of approximately 50 men, many of whom had belonged to the group trained to handle terrorism cases—a group with very special training, heavy-caliber weapons, and bulletproof vests that protect them and allow them to operate under risky circumstances—Eduardo Herrera took over this headquarters at the end of a day when the majority of even the administrative personnel had been sent home to ensure tranquillity in the country on the day of the [workers] march. As a result of these instructions, the headquarters and other garrisons were particularly exposed. Herrera and his men took over the police headquarters by surprise and by taking advantage of the type of arms his men had.

Having taken over this installation, they had two key elements under control: communications and the armory. From this momentary position of relative strength, they could do two extremely dangerous things in the next few hours: 1) Dispatch commandos from the headquarters to take over the police garrisons that had refused to join them and to repeat the situation that occurred in this headquarters; and 2) Because there were—and we know there were—contacts with some leaders of the strike movement, there was the possibility that some of these commandos could be used to impose a strike, particularly in the area of public transport.

Why was it impossible to rally a more powerful Panamanian force? Because we no longer have an army but a police force. The garrisons and personnel work on a regular police schedule. There is not a standing army. The police have police and not army weapons. To marshal sufficient forces on that particular night, it would have been necessary to leave the city entirely without protection. It would have been necessary to pick up policemen on duty on the streets, thus opening the door for probable looting. In view of this situation, the president of the Republic and those of us who accompanied him that night assumed the responsibility of making sure that the country could see next day's light in democracy regardless of the cost because, if democracy was ensured, all of the future would continue to be open for us. If the country had not seen the light of dawn in democracy, if Panamanian democracy had been left to sink, the country would have faced a true catastrophe.

Some people played an important role at that time of the morning. If, by failing to mention them all, I commit an injustice, it would be even more unfair to mention those who did not play any role. [as heard] Among the police officers who were not held and on duty and who risked their lives for constitutional democracy, I must mention one person who is here and who did not know I would mention his name, Captain Macea, director of the Canal police. Not only did he respond immediately with as many men as he could muster, but he even used internal communications to address himself, with great correctness, to those who at the time were committing a crime against the homeland.

I have been very specific when referring to the facts. The degree of responsibility will have to be determined by the public ministry—that is, the Attorney General's Office and the courts. There is evidence that, in the midst of a coup attempt, Best and Ferrer [labor union leaders] were here and spoke with Rodriguez [labor union leader] from these telephones. These are the facts to which I will stick, because there are witnesses.

[Reporter] You mentioned a major, five captains, and four lieutenants [as heard]. Who are they, Mr. Minister?

[Arias Calderon] No names will be revealed for the time being because not all of those on that list are under arrest, and it is important that we respect the Attorney General's Office's prime interest in conducting an investigation. [end recording]

More Arias Calderon Comments

PA0912220690 Panama City LA PRENSA in Spanish 9 Dec 90 p 2-A

[Report by Migdalia Fuentes de Pineda]

[Text] Panamanian First Vice President Ricardo Arias Calderon has told LA PRENSA that the primary motive that led Retired Colonel Eduardo Herrera to take forceful action against the government was the desire to stop the demilitarization policy of President Guillermo Endara's government.

According to Arias Calderon, Herrera, from Tinajitas, called the Colon and Chiriqui headquarters to insurrection, but neither supported him, which proves that the Public Force [FP] is a genuine police force.

"Were we to change our policy concerning public security at this time, we would be handing them on a silver platter what they attempted to achieve through the uprising," said the vice president, adding that what has failed is the attempt to stem Panama's demilitarization, inasmuch as the coupists have complained of all that has been taken from them.

"We must not reflect solely on how successful this policy has been, but also on how responsible some reactions to the policy have been."

What role does constant psychological harassment as well as our current socioeconomic difficulties play in all of this, Arias Calderon asked, adding that the coup attempt was simply a desire to somehow establish an army, because we no longer have one.

That there is a genuine police force is proven by the fact that most of the force did not join the coup attempt, regardless of what their feelings might have been.

The vice president also pointed out that perhaps this is the right time to examine the influence certain sectors' constant psychological harassment and the living conditions of people we are asking to expose their lives for 280 balboas per month may have had on the coup attempt.

The polictican asks himself: Is it all right to see the mote in your brother's eye and the beam in your own?

Speaking to LA PRENSA 48 hours after the military coup attempt headed by recently retired FP chief Eduardo Herrera, which tested Panama's incipient democracy, Arias Calderon said: Between midnight and 0200 on 5 December, we were practically at Herrera's mercy, and Herrera was willing to test his strength.

There was a moment when Herrera stated the problem on a brute force level, Arias Calderon said, adding that between midnight and 0200, Herrera had a certain brute force advantage.

Relating the experiences of that day, Arias Calderon explained that Herrera occupied the FP's central headquarters with approximately 50 of the best-trained, best-armed, and best-protected—even wearing bulletproof vests—men.

Arias Calderon said: The central headquarters is currently just a central police office; no men live there. He added that the situation was serious because Herrera's action came at a time when "we had released all of the personnel, even the administrative personnel, so that they could be in the streets to offer maximum security; the units who returned to the headquarters were going home," he said.

"By springing a surprise attack on what could be described as a military redoubt within the headquarters building, Herrera managed to control the communications center and the armory. In response to this, we kept in contact with the police stations by telephone. They ratified their loyalty, but at night there are no men on reserve," he said.

According to Arias Calderon, the situation was very delicate because to gather the troops at that moment, it would have been necessary to leave the city unprotected and subject to the threat of armed groups of vandals, a danger that cannot be overlooked.

"We could not leave the city unprotected at night, caught between a march and a strike, and exposed to vandalism that could consolidate the strike as a result of the people's fears."

Arias Calderon said that Herrera had allowed strike organizers to enter and leave, as there are reports indicating that at least three of them visited the main station and others made telephone calls.

Arias Calderon added that he received reports that armed groups left the station for downtown with two possible goals: to occupy other stations or to make plans to forcefully impose the transport strike.

He said that there was the feeling that the coup attempt carried out by these individuals could have led to disturbances that would have paralyzed the country.

Arias Calderon added that the critical situation at the station was compounded by the fact that the two busiest radio stations at that time—willingly or not—played the role of a resounding box by reading the proclamation on innumerable occasions and reporting that Herrera had control of all the stations and police zones, which was untrue.

He said that "we estimated that we had to wait until 0500 or 0700, which is when the new shift begins, to pick up loyal policemen without leaving the city completely unprotected. It would have been too late by then."

The vice president said that there was only one thing on their minds that evening: That we had to wake up with a democracy the next day regardless of what the cost was or what we had to do.

"If we could achieve that, then everything else would be possible," Arias Calderon said. He added that U.S. assistance was requested for this reason, because a markedly superior force was needed to quell the coup attempt.

"The initiative emanated from the president of the Republic, who has legitimate authority by virtue of the Constitution, to ensure that public order is preserved on his own initiative," Arias Calderon pointed out. He added that a legitimate Panamanian authority requested the assistance.

"In the case of an intervention, the initiative comes from the intervening power. This was not the case here, because the initiative emanated from a legitimate Panamanian authority," Arias Calderon added. He pointed out that the objective of an intervention is to impose on another party something that it does not want. But in this case, the aim was not to impose something that we did not want on us, but to help us achieve our goal.

The vice president pointed out that there is a belief that the problem was solved exclusively because of the U.S.

assistance, but this is not so. He explained that assistance was decisive at a given moment, but it was not the sole factor.

Arias Calderon believes that the refusal to heed the insurrection call was the main reason for the success achieved. He added that the Police Directorate, which is comprised of eight individuals who never heeded that call, played a major role in this because had they done so, the situation would have been different.

Arias Calderon noted the role played by Major Arrue and Captain Macea, director of the Balboa police, who made a "dramatic" call over internal police communications to respect the Constitution and to harshly criticize what Herrera was doing.

He also praised the role played by Captain Milton Castillo in Chiriqui who maintained absolute loyalty in a province where there could have been problems, considering its proximity to a border.

Arias Calderon underscored the role played by governors who were asked to go to police stations to ensure that civilian authority prevailed over military authority.

Arias Calderon said that Deputy Government and Justice Minister Ramon Lima and Public Forces Director Ebrahim Asvat played primary roles. He pointed out that besides having been held hostage for three hours, Lima was asked by President Endara and himself at 0400 or 0500 to assume the responsibility in front of the U.S. forces of issuing orders to enter or leave the station and open fire if needed, because the U.S. forces had demanded that the initiative for any action come only from the Panamanians.

"Lima was told not to negotiate with Herrera. He was told to only listen, because he could only discuss the hostage issue," Arias Calderon said.

When Herrera realized that Lima had arrived, he asked to speak to him and Lima agreed. After meeting for two hours Herrera went outside with the police directors.

This is when Herrera began to break down, Arias Calderon said.

Arias Calderon said that Herrera's leadership as National Police Director was never satisfactory. Instead of changing from an Army leadership to a police leadership, Herrera was reluctant to change.

"This became more and more apparent," Arias Calderons said, adding that both the president and himself felt increasing dissatisfaction with him. Later they began noticing Herrera's preference for creating specialized units. We stopped this, Arias Calderon said, because we wanted special training for crowd control and antiterror units. These are the real needs of any country, but Herrera sought specialized units, Arias Calderon explained.

The first signs of danger were, according to Arias Calderon, when Herrera, without previous authorization, appointed his brother to head one of these specialized units with more men than was authorized.

"This is when we made the decision to get rid of him. At the end of his term we received internal police reports [on Herrera], but these had no legal standing because people were afraid," Arias Calderon said.

Herrera was accused of involvement in the bombings at the homes of the comptroller general, the treasury minister, and possibly at the Arnulfist Party headquarters, to create unrest and force the government to halt the demilitarization process and find a compromise between an army and a police force.

This evidence prompted our decision to replace him without yet knowing who else was involved. That is why we opted for a "middle-of-the-road" decision—retirement—to allow us time for the massive retirement of the 142 officers that followed. These officers were too tainted by their military experience.

By retiring them separately, Arias Calderon continued, we avoided causing a traumatic impact on the country. We avoided then what has occurred now, but if it had happened then, Herrera would have been on the inside.

According to Arias Calderon, the Herrera investigation began the moment the bombs in Panama City stopped. Then other bombings took place in Chiriqui Province. This took place with another group linked to Herrera, with people such as Ivan Moreno and four others, and with enough evidence for a legal case.

"People in Chiriqui Province were willing to speak out. This is when all this information came out."

Arias Calderon believes that Herrera's objectives changed over time, because at the beginning, as chief of police, he knew that if an uprising took place and negotiations were needed, these negotiations would have to be with him, as he would be the beneficiary.

"Once we got rid of him he became radical. What the Chiriqui Province investigations disclosed was that he was already thinking in terms of replacing the government, possibly through the combined efforts of military men and trade union leaders with links to the old regime." This uprising now shows that this is what they were unable to do on 16 October, Arias Calderon said.

Arias Calderon said that when making the transition from a dictatorship to a democracy it is certain that all people who lose their power initially spend their time trying to recover it.

"One need not be a prophet to know that this will be attempted. The problem is knowing, when this occurs, if there has been enough of a substantial change to make it irreversible."

According to Arias Calderon this change has already taken place in Panama, because if most of the police had not been true policemen and had still yearned for military power, they would have carried out a coup.

Lastly, the vice president said that contrary to what critics say, the initiative against the uprising was kept in the hands of civilians.

Cruz Provides Details on Military Coup

PA0712185890 Panama City EL SIGLO in Spanish 7 Dec 90 p12

[Report by Aneldo Arosemena]

[Text] Attorney General Rogelio Cruz has said that the possibility of another coup against the national government is still possible. He said that the seed of militarism has not been crushed completely and added that the U.S. presence is not an obstacle to another possible coup.

Cruz said that "as long as militarism is alive, even though it is in its death throes, it can produce similar and—I hope not—even worse situations." He said that there is also discontent in the Attorney General's Office, but that does not necessitate taking up arms and rebelling like the military coupists did.

Cruz also gave details of Colonel Herrera's escape and his takeover of the Ancon Police Headquarters. He said that there are indications of complicity by the guards at Naos Island in Herrera's escape. He said that the men who freed Herrera used a private helicopter rented at Paitilla Airport by former PDF [Panama Defense Forces] captains Juan Bernal and Vallejos. They claimed that they were going to take aerial photographs of the 4 December march. Once they were off the ground, the captains forced the pilot to fly to Naos Island at gun point. After exchanging several shots with the guards, they took off with Herrera.

The attorney general said that 30 men are under arrest as a result of the attempted coup, and there might be some more in the next few days. For the moment, he discarded rumors that any civilians were involved. He said, however, that civilians who formerly belonged to the PDF were involved.

Cruz said that three people, who presumably belong to the National Police, under false pretenses rented a helicopter from a company located at Paitilla Airport. Later at gun point, they forced the pilot to fly to Naos Island, from where they took Herrera. [paragraph as published]

Cruz also said that it has been established that there was an exchange of gunfire between the men in the helicopter and the guards on the island. He said, however, that it is believed that the shooting was merely a cover and that the guards did not try to prevent the escape. This points to complicity on the part of the guards.

Cruz also said that the courts of justice—not the media or the attorney general—will condemn or acquit the suspects. That is the court's task. We hope to fulfill our duty as soon as possible. We have four months in which to do it. I believe that by the end of this week or by the beginning of next week, I will have a series of statements by government officials who were present at Ancon headquarters, as well as other evidence. Then I will question Eduardo Herrera.

Official Says Government Distrusts Public Force

PA0812235590 Panama City Radio KW Continente in Spanish 1200 GMT 7 Dec 90

[Report on interview with Eusebio Marchosky, president of the Directorate for the Recovery of State Property, by Homero Londono on 6 December in Panama City—recorded; passages within quotation marks are recorded]

[Text] [Londono] We have been predicting the events that finally took place on 4 and 5 December. It is impossible to create a decent police force with the military structure that upheld the dictatorship of former General Manuel Antonio Noriega, which destroyed this country, Eusebio Marchosky, president of the Directorate for the Recovery of State Property, has told Radio KW Continente. He made those remarks in response to questions we posed concerning U.S. Army troops being requested to assist in apprehending Eduardo Herrera, who, with approximately 70 men, took control of the Ancon Police Headquarters.

[Marchosky] "We have said that it is very unlikely that a good policeman can be made out of a soldier, even a good soldier. We do not have any good soldiers. The Government and Justice Ministry has been saying that the Public Force [FP] was purged. The incidents of 4 and 5 December show that there was no purge, and that it is impossible to conduct that purge.

"It is worrisome that circumstances prove that the experiment the ministry wanted to conduct with the FP has failed. It is worrisome that the failure was depicted as a victory. Explanations have been given, but, honestly, I was made to feel like a fool who was given explanations which are completely groundless and have no basis in reality. If you recall, on the night of 4 December, Government and Justice Minister Ricardo Arias Calderon said that the group supporting Eduardo Herrera had been unable to take over the Tinajitas Garrison. While the minister was making that statement, Herrera was not just taking control of the Tinajitas Garrison, but the central garrison. And I insist that that building is a garrison, even though Arias has referred to in an euphemistic way as the police headquarters; it is a garrison. It is also worrisome that current FP members recognized the authority of a man who is the object of judicial proceedings. Whether or not this process is honest, he was nonetheless an accused man; yet, the policemen obeyed him.

"Now, the concern is to decide if there were 37 or 36 FP members involved. That is not what matters. We had due obedience on their part of someone who insisted that he was their immediate chief, because the real chief was nowhere near, as I understand it."

[Londono] Marchosky added that the Panamanian Government had to ask for U.S. aid because it does not trust the FP members.

[Marchosky] "That incident tells us that the Panamanian Government did not feel it could use so-called loyal troops to quash the rebellion. We are going to have many rebellions unless we have a true restructuring of the FP without any former members of the Panama Defense Forces. We must move toward a completely civilian police. We saw the sad spectacle of a deputy government and justice minister acting as the messenger of an inmate and calling him colonel. In the end, it was the U.S. troops who quashed the rebellion."

[Londono] Marchosky added that when the FP officers were needed to try to crush the coup attempt and the takeover of the Ancon central garrison, they were at the Presidential Palace expressing their loyalty to President Guillermo Endara.

[Marchosky] "When the U.S. soldiers assumed responsibility for breaking up the coup attempt, we saw FP officers professing their loyalty at the Presidential Palace. A loyal FP member does not go to drink coffee at the Presidential Palace, but takes up arms to counter the rebellion. I may be told that no other garrisons joined the rebels, but the only thing I can think is: Thank God the U.S. officers were here to prevent it.

"Panamanian officers do not join or are not in the habit of joining rebellions headed for failure. The question is: What would have happened if the U.S. Army had not been here to crush the coup attempt. Someone who was loyal to Noriega cannot be loyal to democracy.

[Londono] "Arias Calderon said that the decision to seek U.S. Army assistance had to be made because in Panama we have FP members who have police training, but who carry only sticks and little guns. How do you feel about that?

[Marchosky] "I would pose the question another way. If that is so, those in the rebellion are also policemen. The second police chief we had was Eduardo Herrera. Arias now considers Eduardo a military man, whereas, when he worked as deputy chief and the chief of police, he said that Herrera was a policeman. Herrera was a military man. Is Arias saying this about the officers who sided with Herrera? They are still military men of the worst ilk."

[Londono] It is said that they were heavily armed. Where did they get the weapons if Herrera was in jail?

[Marchosky] "That is something that must be investigated, but we can say that those at the garrison when Herrera took it over sided with him."

Escaped Ex-Police Captain Threatens Chiriqui

PA0812022190 Panama City EL SIGLO in Spanish 7 Dec 90 p 12

[Article by Martin Gaonzaelz S.]

[Text] David—EL SIGLO has been informed that former Public Force Captain Carlos Ivan Moreno has made telephone calls on several occasions threatening the directors of the Chiriqui Police Area and threatening to set off powerful explosives in the aforementioned garrisons.

Former Capt. Moreno escaped from the Modelo prison on the eve of 4 December, at the same time that former Colonel Eduardo Herrera escaped from the Naos Island prison. Former Capt. Moreno is accused of leading subversive groups which planted bombs in the Chiriqui Province.

When Chiriqui Province Governor Edgar de Puy was interviewed on the effects of Moreno's escape, he said that this has caused concern among Chiriqui residents, but that his whereabouts were being investigated. The governor, referring to the security of former soldiers under arrest in the David jail, said that a police watch was to be established at the jail cells. This action is to be coordinated with Captain Milton Castillo, area police director, to prevent a rescue attempt or escape operation by former Capt. Moreno, De Puy stated.

De Puy also said that, in Chiriqui, activities are being carried out in a normal fashion, despite the call for a strike on the part of union leaders, and that the Chiriqui workers, more than ever, are intent on working.

Meanwhile, EL SIGLO interviewed Capt. Milton Castillo, from the Chiriqui Public Force, who expressed that the foiled coup d'etat undermines the Panamanian pro-democracy effort and sets back efforts to gain the community's trust.

The director of the Chiriqui Area Police stressed that all the men under his command totally support President Guillermo Endara and the Constitution. Capt. Castillo said: "In Chiriqui, we will continue to guard Panamanian democracy."

Moreover, this reporter has learned that while former Col. Eduardo Herrera was in the National Police station building, he made repeated telephone calls to the Chiriqui Area Police to try to muster support for the attempted coup d'etat. Nevertheless, the Chiriqui police officers denied their support and identified themselves with Panamanian democracy.

27 Police Officers Reportedly Involved in Revolt

PA0912033790 Panama City LA PRENSA in Spanish 7 Dec 90 p 1

[Article by Vilma E., Figueroa B., and Elkilia Santos]

[Text] About 27 officers of the Public Force [FP] participated in the rebellion lead by former Colonel Eduardo Herrera, said National Police Director Ebrahim Asvat.

Asvat, who made his statements outside the Presidential Palace, where he had met with President Guillermo Endara, avoided answering reporters' questions about the punishment the soldiers will receive by asking: What do you think is going to happen to them?

Asvat met with the National Police Directorate yesterday morning and took inventory of the personnel who joined, had doubts, or knew of the military rebellion before it took place.

"The majority of FP personnel remained loyal to President Endara," Asvat stated.

According to the police director, it was necessary to call in the United States because "the FP is being organized to perform police services."

The FP is not being trained to face insurgent or armed movements. The policemen are civilians trained to serve the community, Asvat announced.

The total number of FP members involved in the strike was not disclosed by the police director.

Meanwhile, Leslie Loaiza, director of the Judicial Technical Police, stated that up to now, the investigation has revealed the names of some of the people who participated in the attempted coup two days ago, because many of those who aided Retired Colonel Herrera in his escape from Naos Island are active FP members.

Loaiza stated that he is "waiting for Attorney General Rogelio Cruz to order the arrest of more than 50 people who were involved in the coup attempt led by Retired Col. Eduardo Herrera."

The director denied that the rebellion involved a trailerload of weapons, but he said that he was worried, because only a few weapons have been seized, and many fell into the hands of criminals.

Herrera is now in custody at the Renacer Penitentiary, after being apprehended by U.S. troops in a housing project in Veracruz.

Local Newspapers React to 4-5 Dec Events

PA0912031590

[Editorial Report] Panama City Spanish-language newspapers on 7 December carry reports, editorials, and commentaries on the military uprising led by Retired Colonel Eduardo Herrera on 4 and 5 December.

EL DIARIO INDEPENDIENTE on page 30 carries a 150-word report by Josefa Cedeno on remarks to the newspaper by Foreign Minister Julio Linares. Referring to the actions by U.S. troops to crush the rebellion, Linares states: "We cannot call them acts of intervention because they were conducted at the request of President Guillermo Endara."

The same newspaper on page four carries a 500-word editorial stating that when Attorney General Rogelio Cruz charged Col. Herrera with conspiring to topple the government, "some persons and news media questioned the attorney general's action, indicating that he had no corroborating evidence." It recalls that "Cruz firmly, calmly, and objectively adhered to a decision, which the people now admit was the right one, since, by his actions on 4 and 5 December, Herrera confirms all the accusations made against him."

CRITICA LIBRE on page four carries a 450-word editorial that begins by noting that Endara's charge that the military uprising was linked to the public employees strike is contradicted by Attorney General Cruz, who said that the labor leaders were not involved in the coup attempt. On the question of intervention by U.S. troops, the editorial states that the "foreign minister called it the lesser of two evils, but the people are asking themselves what would have happened if the United States had not intervened? Would democracy have survived?"

The editorial dismisses criticism levied against the president's decision. It adds that although the newspaper does not agree with the government's methods "we clearly support its legitimacy." "We do not justify the U.S. intervention, but we do want to say that we will always be on the side of God, the people, the fatherland, and democracy. That is why we do not want any more contradictions among those who must form a common front and source of unity against local and foreign conspiracies."

EL SIGLO on page five carries a 300-word commentary in the "Commitment With Justice" column by Dagoberto Franco. Franco takes Endara to task for trying to convince the people that Herrera tried to topple him. "I feel that what we had was a mutiny caused in part by the people's dissatisfaction." Referring to the role played by Panama's Public Force (FP) in this incident, he notes that Endara sang "the praises of his FP" for remaining loyal to him. "But the reality is something else, because the FP did not heed his appeal to squash the rebellion. Once again, the president had to appeal to the gringos to keep him in power by crushing the uprising." Franco notes that Endara was referring to U.S. troops, not Panama's FP when he said he had the loyalty of the men in uniform. He concludes the column stating that "every time there is an uprising of any sort, the gringos will be the ones who will come to beat and murder the troublemakers."

The same paper on page four carries a 500-word commentary in the "Period and That Is It" column by Jaime Ortega who begins: "I feel completely ashamed. I feel humiliated. My dignity as a Panamanian has been completely destroyed." He feels Endara's decision to call U.S. troops confirms Panama's low image abroad. Now, he says, people from all over the world have seen "a president once again asking for Yankee intervention in view of his inability to win over the people because of his lack of initiative."

Ortega cautions that while people are willing to "suffer four more years" of this government to avoid a military dictatorship, "this is the last time government officials have to correct their 2,000 errors. The people will not forgive one more. The events of 5 December 1990 are a disgrace Panama does not deserve."

The same newspaper on page four carries a 300-word editorial rejecting the argument furthered by top government officials that infighting within government sectors "is to be expected from the freedom our country enjoys." It feels a government is democratic when it "stems from the will of the people." It encourages these officials, however, to realize that we have a "presidential regime, that endows the president with the authority to lead."

LA PRENSA on page 38-A carries a 500-word article by Doris de Mata, who criticizes the 5 December incident as "a national disgrace." After recapping the events of the day, she notes that they left "a feeling of bitterness and anger." Mata points to the absence of Panama's FP in controlling the rebellion, while "U.S. forces did the job."

"Specifically, I hold Government and Justice Minister Ricardo Arias Calderon responsible for the failure of the FP, his inability to deal with an emergency, and his shamelessness in the face of the people's rejection of the FP. I hold the national government responsible for the nearsightedness of refusing to make profound changes, which should have begun 11 months ago, and for having to use a foreign army to impose order in the midst of national chaos."

Citizen Confesses to Killing Policeman

PA0912161390 Panama City EL PANAMA AMERICA in Spanish 9 Dec 90 p 32-B

[Report by Carlos Vargas]

[Text] The National Police yesterday arrested criminal Ruben Douglas Marcial, alias "Chombon," who presumably fired at Sergeant Filemon Montero del Rosario on 5 December amid the confusion created by a coup attempt headed by former Colonel Eduardo Herrera Hassan.

The dangerous criminal was arrested by Sublieutenant Walter Herrera of the Curundu police substation during an intense combing operation in that neighborhood.

The criminal's arrest prompted other Curundu residents to try to free him, but the police beefed up its forces to counter such plans.

The authorities seized from Marcial a 9-mm pistol, which is similar to the weapon Sgt. Montero was carrying during the military coup attempt.

The criminal confessed that he committed the murder in the company of other individuals from Curundu neighborhood.

The National Police and the Judicial Technical Police are conducting an intense operation in the Curundu and Santa Cruz neighborhoods in search of any weapons that the rebellious military men, who tried to topple the government of Guillermo Endara on 5 December, could have distributed among the criminals.

A curfew was in effect in those neighborhoods between 1800 and 0600 by order of the mayor's office, but the measure was suspended on 6 December.

PDC Condemns Coup, Supports Government

PA0912043090 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Dec 90 pp 1, D-6

[Communique issued by the National Political Committee of the Christian Democrtic Party of Panama, PDC, in Panama City on 5 December]

[Text] Recent subversive acts have been frustrated by the loyalty of the Panamanian people and the different FP components. They have stood firmly on the side of democracy, for which we have fought, and against attacks by followers of the narcodictatorship and militarism.

These events reveal the intentions, and especially the complicity, of civilian and military enemies of democracy, who try to confuse the Panamanian people. They incite subversion and with it, the destruction of the legal state, which has been consolidating in the country since 20 December 1989.

At the same time, we must proceed, relentlessly, against those members of the FP, government officials, and other people who participated actively against the established order, for which the Panamanian people have so fiercely struggled.

The repetition of military movements, for the second time in the past few weeks, coincides with social movements, supposedly demanding labor and individual rights. These movements, led by political figures of the Noriega regime and by other allegedly democratic politicians should not be seen as a mere coincidence. The people demand that the national government proceed strongly and firmly to make it clear that the government will, under no circumstances, allow the disruption of the constitutional order. Neither will it allow criminal and corrupt elements linked to the past regime to alter the peace and hinder the establishment of democracy.

The PDC hereby reaffirms and expresses its firm support for the constitutional government represented by the president of the Republic, Guillermo Endara Galimany. Our party exhorts the Panamanian people to remain watchful and vigilant in defense of democracy and the legal state.

We stress that, in the struggle for national democratization, the PDC, vanguard of the Panamanian people's struggle for democracy, will always maintain its commitment to struggle for the welfare of those who suffer the most.

5 December 1990

PDC National Political Committee

National Civic Crusade Supports Government

PA0712180190 Panama City EL PANAMA AMERICA in Spanish 7 Dec 90 p1

[Communique issued by the Directive Committee of the National Civic Crusade, CCN, in Panama City; date not given]

[Text] The Directive Committee of the CCN has issued a communique affirming that once again, militarism "has shown its ugly face in a veiled coup attempt." The CCN is referring to the foiled coup headed by Colonel Eduardo Herrera (retired).

The complete text of the CCN communique follows:

Once again, militarism—which we thought had been defeated by the people's will and crushed by the U.S. military invasion—has shown its ugly face in a thinly disguised coup attempt that involved former members of the tyrannical government that had enslaved us for more than 21 years.

On several occasions, the CCN has condemned conflicts caused by the government's refusal to adopt the necessary measures to satisfy the ideals of those of us who struggled, among other things, for the establishment of a truly civic public force and for the administration of justice to quell the thirst of our suffering people.

We feel, however, that the stability of a civilian government—for which we paid a high price in suffering, persecution, outrage, and abuse during our endless civic struggle—should prevail over all differences. Therefore, we affirm our support for the constitutional government we elected on 7 May 1989. We also demand that the government comply with the demands that we have been making during these 11 months. We demand it to fulfill its promises to rule firmly and fairly and to prevent impunity and the resurgence of the elements that plunged our country into the most abject dictatorial era of our history.

We ask the civic-minded citizens to continue the struggle to maintain respect for the basic principles of our movement: democracy, justice, and freedom.

Labor Leader Rejects Ties to Rebellion

PA0712191690 Panama City EL SIGLO in Spanish 7 Dec 90 p 12

[Report by Eric Arce]

[Text] Isaac Rodriguez, the leader of the National Coordinating Board for the Right to Life, has rejected charges that the organizers of the 5 December labor strike would have eventually joined the followers of former Police Force Director Eduardo Herrera, who had escaped from the Naos Island prison. Rodriguez stated: "If we would have had anything to do with an attempt to carry out a coup, obviously we would have gone to the Presidency to start a general upheaval. I am amazed the government believes the people can be tricked. We, the workers, were marching peacefully and in an organized manner along 5 May Plaza when Eduardo Herrera was being liberated."

Rodriguez was emphatic when he noted that "it seems to me that what we have here is an underhanded maneuver to behead the labor movement drastically and totally. The government cannot admit that the labor movement has thousands and thousands of Panamanians in the streets to protest its economic measures and actions." He noted that "the way to behead the labor movement is by tying it to a current alleged, nonexistent plot."

The workers leader said that "despite all the maneuvers, I believe the strike was successful in Colon, Chiriqui, and Bocas del Toro. It is also a fact that Panama City was paralyzed for some time and that stores opened, but only tentatively, in the afternoon." Isaac Rodriguez added that "the government will take the craziest action in the world if it fires all those who joined the strike. These events were not only attended by a few people, but by thousands and thousands of Panamanians. If the government wants to increase social problems inordinately, let it do this crazy thing. This action will only satisfy the whims of the ultraradical sectors that want to do way with everything that means opposition."

The union leader said he does not fear being sent to prison in the future because, "whether we want it or not, the people are going to revolt every time actions are taken against the large organized majorities." Rodriguez added that "the government did not even contact us after the strike. What it has done is start to fire groups of IDAAN [National Water and Sanitation Institute] workers and leaders. It has not done this at MIDA [Agricultural Development Ministry] because the workers are revolting against the measure. We are not going to hide under our beds or take a timorous attitude if the government continues to attack the Panamanian working class. We are willing to defend what is ours, and we do not want to be tied to any alleged coup in the future." Rodriguez said he would approve of the church's mediation regarding the demands presented by the National Coordinating Board for the Right to Life. He said: "We would welcome the church's mediation as it has guided this nation with fairness for a long time."

Concluding, Isaac Rodriguez said: "I do not deny that there is the possibility that we may have to hold a new demonstration soon. We will announce the date for such an action at the opportune moment. The government is mistaken if it believes it is going to intimidate us." Concerning the possiblity of divisions in the unions, Rodriguez said: "We are more united than ever. We are more unified, and we tell the workers that we will continue to struggle because united we will attain better days for our fatherland and for our sons."

Bill 'To Protect Democracy' Sent to Assembly

PA0812005990 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Dec 90 pp 1, D-6

[Bill submitted by the executive branch to the Legislative Assembly in Panama City on 6 December]

[Text] Republic of Panama

The Presidency

Panama 1, Panama

Presentation of reasons for bill:

In view of recent events in the country that were obviously intended to alter the government's democratic structures, the executive branch submits to the Honorable Legislative Assembly for its consideration this bill "by which measures will be adopted to protect democracy and the constitutional legal order in government organizations."

This bill will give the national government power to dismiss public employees and labor leaders who organized, promoted, or participated in the national strike they tried to carry out on 5 December, that, as has been verified, was closely linked to the coupist rebellion led by Mr. Eduardo Herrera.

The executive branch believes it is necessary to adopt measures to break up definitively all the groups that have any connection with the dictatorship that came to an end on 20 December 1989, groups that are still trying to undermine the foundations of democracy. For this reason, we respectfully ask the honorable Legislative Assembly to give this bill emergency consideration.

Panama City, 6 December 1990.

Bill No. [no number as published]

To adopt measures intended to protect democracy and constitutional order.

The Legislative Assembly

Whereas;

Several public sector associations and unions scheduled an unjustified and illegal national strike for 5 December 1990.

The strike was not authorized by the law and was connected to a plan promoted by retired and active Public Force officers and troops to subvert order.

When the foiled military coup was in progress, the leaders of the public employees' associations and unions acted in a way not in line with their alleged labor objectives or with the law, thus turning their actions into a political movement intended to subvert constitutional order and replace the democratic government system with a military regime.

Decrees;

Article One: To safeguard constitutional order, the executive branch, the directors of autonomous and semi-autonomous institutions, state enterprises, and other state offices are hereby authorized to declare without merit the appointments of public servants who participated in the organization, promotion, or implementation of the national strike that took place on 5 December 1990. This authorization applies also to those who hold posts on the boards of directors of public employees' labor organizations and associations, regardless of the existence of labor union privileges or special laws on labor unions.

Article Two: To authorize the highest authorities of the various state offices—state ministers, directors of autonomous and semi-autonomous institutions, state enterprises, other public offices, district attorneys, the attorney general, the comptroller general, governors, and mayors—to declare without merit the appointment of public employees who participated in the activities listed in Article One of this law.

Article Three: Being declared without merit can be reversed only through an appeal that must be filed with the authority that issues the declaration. Recourse via government channels comes to an end with this appeal. [as published]

Section Two of Chapter VI of Book III of the Labor Code and Article 137 of Law Eight of 25 February 1975 will not apply in the case of public sector labor unions in order to allow the implementation of this law.

Article Four: This law also prevails over any contrary disposition listed in Law Eight of 25 February 1975, Law 34 of 26 September 1979, laws 38 and 39 of 27 September 1979, Law 40 of 28 September 1979, and any other contrary disposition.

Article Five: This is a public order law and it will be retroactive.

Article Six: This law will go into effect upon its promulgation.

Let this be promulgated and published

This is being presented for consideration by the Legislative Assembly today, 6 December 1990, by Minister of the Presidency Julio C. Harris, who was authorized to do so on 6 December 1990 by the Cabinet Council.

Julio C. Harris

Minister of the Presidency

Ford Supports Dismissal of Striking Employees

PA0912034490 Panama City LA PRENSA in Spanish 7 Dec 90 p 1A

[Report by Manuel Alvarez Cedeno]

[Text] "The fooling around with justice is over. Those who have violated the law must go to jail, or be sentenced or released according to the law," Second Vice President Guillermo Ford has stated. Ford made those remarks when he was asked what steps would be taken against workers who supported the strike and against policemen who sided with Retired Colonel Eduardo Herrera.

He noted that there is a lot of coincidence between the strike and Herrera's escape. "It seems to me that labor leaders must give much thought to what is happening, because that coincidence could have extremely serious consequences," he noted. Ford reiterated that officials who supported the strike must be dismissed. He said that no one at the Planning and Economic Policy Ministry heeded the call to strike, and no one was threatened there.

Later, he said that the government cannot be deaf and blind to the people's complaints, "but I have said that I will not discuss the 13 points proposed by the workers, and I am not going to sit down for talks with several of those union leaders." With regard to the dismissal of employees who supported the strike, he said that there will be no persecution.

Unions Preparing Measures To Counter Dismissals

PA0912005990 Hamburg DPA in Spanish 0103 GMT 8 Dec 90

[Text] Panama City, 7 Dec (DPA)—A delegation of Panama's Coordinating Board of Unions announced today that the unions are preparing to conduct future joint actions to prevent President Guillermo Endara from implementing measures that would empower him to dismiss union leaders and public officials who participated in the strike that coincided with the police "uprising" of 5 December.

According to union lawyers and leaders, representing 63 organizations and 224 labor leaders, through a bill submitted for the approval of the National Legislative Assembly, Endara plans to violate the Constitution, the Labor Code, the right of state officials to assemble, and other rights, as well as international labor agreements signed by Panama.

Rolando Miller, spokesman for the labor coordinating board, called the measure to dismiss all officials who participated in the strike "fascist," and said that it shows that the government does not want to hold talks, but fight. He denied that labor leaders were involved in the "coup attempt." Government and Justice Minister Ricardo Arias Calderon said, however, that 63 persons were involved in the coup attempt, and at least three of them are labor leaders Cesar Best, Isaac Rodriguez, and Antonio Ferrer.

Arias Calderon said that the investigation has established the complicity of Ferrer and Best with the rebels, since they went to the police headquarters from where Retired Colonel Eduardo Herrera, the leader of the uprising and former chief of police, who was leading the movement, and Rodriguez, since he called Herrera on the telephone.

Group Threatens Attacks on Public Facilities

PA1012161390 Panama City EL PANAMA AMERICA in Spanish 10 Dec 90 p 1

[Report by Juan Pritsiolas]

[Text] A government spokesman has announced that the fugitive coupists have threatened to begin attacking public service installations, especially power posts and telephone communications.

According to the reports, the military group is led by former antiriot company chiefs Jorge Eliecer Bernal and Julio Vallejos, who have staged a few attacks in Chepo and the Cerro Jefe area.

So far the majority of the coupists have been captured and have revealed details concerning former national police chief Eduardo Herrera's plans.

Bernal and Vallejos have issued two statements over the past few hours which, according to government sources, constitute a form of "psychological warfare" and an attempt to create unrest within the community.

Meanwhile, the Foreign Ministry is awaiting a report from Attorney General Rogelio Cruz and Government and Justice Minister Ricardo Arias Calderon concerning the situation of Captain Rafael Jurado (former chief of the Red Devils), and Lieutenants Carlos Rumbo Perez and Dario Cabezas Del Cid, in order to respond to the Guatemalan Embassy, where they have been granted "provisional asylum."

In some experts' opinion, it is unlikely that Panama will grant safeconducts to these officers.

Meanwhile, the national police are pursuing an internal investigation to uncover the policemen who joined or who were undecided when Colonel Eduardo Herrera (ret) staged the coup attempt.

Argentina

President on Joining Brady Plan 'Next Year'

PY0712170490 Madrid EFE in Spanish 1252 GMT 7 Dec 90

[Excerpts] Buenos Aires, 7 Dec (EFE)—Argentine President Carlos Menem has announced that his country will "join the Brady Plan" next year to pay its foreign debt "while maintaining growth and development."

In a statement to the local press today, Menem said that, backed up by this plan, Argentina will be ready to negotiate a reduction of the debt by the "middle or end" of 1991. [passage omitted]

Menem made this announcement shortly after the end of President Bush's 22-hour visit to Buenos Aires. Menem did not provide any details of the terms under which Argentina will join this program. [passage omitted]

President Menem Evaluates Military Rebellion

PY0812003890 Buenos Aires TELAM in Spanish 1617 GMT 7 Dec 90

[Text] Cordoba, 7 Dec (TELAM)—President Carlos Menem admitted today that he fell into a "trap" regarding the personality of Ali Seineldin, chief of the Painted Faces, whom he once labeled a "brilliant officer."

In comments to LV3-Radio Cordoba of Cordoba, President Menem said: "We fell into this trap, and (Aldo) Rico himself admits that he was responsible for creating a myth." Menem made this statement in relation to comments made by Rico, the former lieutenant colonel, in a recording today.

Menem said: "Many Argentines fell into this trap, but after the latest events (the 3 December rebellion) I have changed my perception and my opinion." Menem added: "I changed all this some time ago, not just because of Rico's comments," but also because of Seineldin's latest attitude; he is "a man who is completely wrong and alienated." Asked if Seineldin deserves the death penalty, Menem said: "That will be decided by the judges."

As for Rico, President Menem said: "In his madness he also said this was the work of the government." Menem added: "In an interview with a Brazilian daily, Rico directly blamed General (Martin) Balza. Balza is a man who truly deserves respect and consideration from all his colleagues. He is one of the officers who fought and recovered the Patricios Battalion."

He also said: "The ones who never fought are the ones who make the worst accusations against those who defended constitutional order."

On the consequences of the rebellion, Menem said: "It served as a kind of purification for the Armed Forces, especially the Army" because "there has been a kind of purge as a result of the action of these villains." He added: "Unfortunately there was a loss of life and bloodshed, but it will help expedite the Armed Forces reorganization."

Menem also emphasized U.S. President George Bush's recognition of the "firmness and decision" in putting down the rebellion. He added: "We talked about the reorganization. Members of the U.S. military are coming to contribute to the current reorganization process." He also revealed that "there is a possibility that the United States will supply modern weapons for the Argentine Armed Forces."

Menem denied that the rebellion will obstruct foreign capital from coming into the country. He said: "On the contrary, the government was strengthened by this test. It will give more confidence to the people who want to invest in Argentina."

Menem was also pleased with Argentine society's reaction against the rebellion. He noted that leaders from various sectors conveyed their solidarity with the government and offered support demonstrations. In answer to these offers, Menem said: "I said no, people should work normally." He said: "This was a problem that was going to be solved directly by the executive branch. I personally assumed responsibility for the repression."

As for the support economic groups may have given the rebels, Menem said: "I do not want to make a judgment on this issue" because "an investigation will be carried out."

Asked about the conclusions of President Bush's visit, Menem said: "Obviously the U.S. Government has an excellent predisposition to contribute, within the Brady plan, to a solution to the Argentine foreign debt problem." He added: "This will ease our burden; it will give longer terms and lower interests. In other words, we may receive the same benefits Mexico received."

Menem noted President Bush's support for Argentine economic policy and said: "Ideologies now belong in museums. The leaders of the extreme left who have been completely defeated only talk stupidity and nonsense." [sentence as received]

Menem said: "Argentina has recovered the prestige that, unfortunately, was lost under very poor previous administrations."

Menem admitted that the GATT and international trade tariffs were one of the issues discussed with President Bush. He added: "Our representatives are working shoulder to shoulder with the U.S. representatives at the EEC. We are supported by the United States. What is happening is that the EEC is [being] very difficult."

Rico Labels Seineldin 'Traitor'

PY0812172090 Buenos Aires TELAM in Spanish 1557 GMT 7 Dec 90

[Text] Buenos Aires, 7 Dec (TELAM)—Former Lieutenant Colonel Aldo Rico has labeled Colonel Mohamed Ali Seineldin, retired, as a "traitor." After further insulting him he added: "I hope he will be executed, or else I will kill him at some point."

In an alleged telephone conversation with a person he called Alejandro Vazquez [not further identified], Rico said he was "shocked" by the military rebellion of 3 December, and he added that "while Seineldin was there eating boiled chicken, people were killing themselves here."

The telephone conversation was transmitted this morning by Radio America. The following is a complete transcript of the conversation:

[Rico] Hello, hello, this is Rico speaking.

[Vazquez] Oh, how are you, Rico?

[Rico] What is the matter?

[Vazquez] I am offended, Rico. I am very annoyed and dismayed.

[Rico] Look, we are not dismayed, we are shocked over everything that has taken place.

[Vazquez] I am shocked with what Venturino said yesterday.

[Rico, interrupting] No, no, Venturino did not say that. That was written by some journalist. But anyway, there are fatherless families, deaths, people who ran away, and thousands of people we must help. We want help, not problems.

[Vazquez] No, no, I am very sorry Rico but that is not my position.

[Rico] Your position is supporting the disaster committed the other day, which you told me there, and which we regrettably did not reveal to the public before. But Venturino did not say that. If I would have had to say it, I would have said worse things. Because he [Seineldin] is a traitorous son of a bitch who remained there while his comrades were being shot.

[Vazquez] No, it is not like that.

[Rico] Not like that? Look, I am asking you to come here now to talk.

[Vazquez] No, no. Rico, unfortunately it is too late now.

[Rico] Yes, what did you do?

[Vazquez] No, it is too late. I did not do anything, I was waiting to talk with you, but I am going to send you a letter in which I will unfortunately end a friendship which...

[Rico, interrupting] But no, there is no problem. I am not interested in friendship. I am working for 300 families that were destroyed by the acts of a crazy man, a crazy man who is an ally of the government.

[Vazquez, interrupting in a low voice] Really, most improper.

[Rico] What they did is terrible, and you very well knew we did not approve that.

[Vazquez] Time will tell. That is not the way to go, Rico.

[Rico] That is not the way to go? He has destroyed us.

[Vazquez] He is a man under arrest...

[Rico, interrupting] He is a... He is a traitor, a traitor who does not know where he stands. He never took responsibility, he always gave orders for others to execute them, and now he has done the same. While he was eating boiled chicken, people were killing themselves here. It has always been like that. But please Alejandro... Now we have I do not know how many kids without a father, and penniless families. And they are all coming here asking for help.

[Vazquez] That is not a problem.

[Rico, interrupting] It is not a problem—who are we going to care about now? Where is he? Where is his wife?

[Vazquez] She is in her house.

[Rico] Please, what has happened here is regrettable. Unfortunately we cannot say what we think, because if I said what I really think, I would have to go and kill that son of a bitch.

[Vazquez] (Inaudible reply).

[Rico] No, Alejandro, you are confused.

[Vazquez] No, I am very sorry.

[Rico] You are completely confused, but it does not matter.

[Vazquez] Well, each one follows his own path.

[Rico] And Venturino did not say that, it was written by a journalist. It is not even a textual report.

[Vazquez] Well, but they make him say very serious things there.

[Rico] It is as I tell you. To make it worse it was published in LA NACION, which is public enemy number one.

[Vazquez] All right, but they had him saying very serious things.

[Rico] Well, what can I do? I cannot pretend that I am shocked by what LA NACION publishes.

[Vazquez] It is important because of you.

[Rico] What does that have to do with it? Because of me... Or are you going to believe a journalist now? Instead of believing me you are believing a journalist.

[Vazquez] But it is LA NACION.

[Rico] LA NACION, our public enemy number one.

[Vazquez] Then why do they interview the enemy?

[Rico, shouting] But that was not an interview, man.

[Vazquez] And what did he say there?

[Rico] What does what he said there have to do with this?

[Vazquez] He said he was there, that he was alone.

[Rico, interrupting] But please, old man, what does that have to do with it? He can say anything, he can lie.

[Vazquez] Oh, and he cannot deny it...

[Rico] But who is talking about denying it? Why should we expose ourselves if we never have to deny anything?

[Vazquez] Do you think that they make it seem like Venturino's statements, even if he did not make those statements...

[Rico, interrrupting, shouting] Look, he (meaning Seineldin), he is a traitorous son of a bitch. That is all that must be said.

[Vazquez] And what about having his shirt on to go...

[Rico] Please Vazquez, you were here and you clearly knew our position.

[Vazquez] Look Aldo, the best thing...

[Rico] Calm down. Analyze things, look at what has happened.

[Vazquez] Yes, it has happened because of treason, but not precisely by him.

[Rico] By who's treason?

[Vazquez] Go ask the woman.

[Rico] What woman?

[Vazquez] His wife.

[Rico] He had the traitors inside.

[Vazquez] The traitors inside where?

[Rico] Inside his own group. What betrayal... He let them resolve everything and that was the result. What betrayal... Please do not make me speak.

[Vazquez] I am shocked.

[Rico] I am also shocked, as I have been since the morning of 3 December. Please Alejandro. Where are all those people, the civilians who encouraged him to go out and kill and who did not go themselves? They are not in trouble, right? The sergeants, the lieutenants are in trouble, they are under arrest or dead. All the civilians, and you know their names very well...

[Vazquez] Yes, yes...

[Rico] Where are they?

[Vazquez] I agree with that. You know very well what I think of those people.

[Rico] Yes, but you were one of them also.

[Vazquez] No sir, not at all.

[Rico] Oh no? Then I am wrong.

[Vazquez] One thing is what I wanted, and another thing... I have not seen him in a month.

[Rico] What are we going to say now... Are we going to say that Seineldin is the best Argentine soldier and that it was a mistake by Sergeant X? He is a son of a bitch and I hope he will be executed, or else I will kill him at some point. He is worse than Caridi.

[Vazquez] Or he is going to kill you.

[Rico] He is not going to kill anyone... He never killed anyone. And he never changed. That is the truth, the fact. He is a lie, and unfortunately we made up the lie. We built the Seineldin monster and there he is. Please Alejandro. All right, I am asking you to continue this conversation later, more calmly.

[Vazquez] All right.

[Rico] And don't pay attention to the newspapers, please...

[Vazquez] That has been published by LA NACION, and I cannot ignore that. As for me, I am going to send Venturino a letter.

[Rico] Come and talk with Venturino.

[Vazquez] No, I am going to send it with my signature.

[Rico] All right, so long.

[Vazquez] So long.

Comments on Causes of Rebellion

PY0812182090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1627 GMT 6 Dec 90

[Text] Buenos Aires, 6 Dec (NA)—Former Painted Faces chief Aldo Rico said today that he does not approve of the military uprising of 3 December but pointed out that "if the problems that led to the rebellion are not resolved, such as the absence of leadership in the Army and its lack of identification with the political system, a similar problem could arise."

"I will not admit to supporting (Mohamed Ali) Seineldin, and I do not recognize his leadership," Rico said, adding: "I am a nationalist but not in Al-Qadhdhafi's style, and I am preparing myself to govern Buenos Aires Province only from my post in the National Dignity Movement."

The former lieutenant colonel, who was pardoned by President Carlos Menem last year, said: "I do not deny what I did on Holy Week and in Monte Caceros, and I would do it again if the same circumstances arose, but I do not approve of what Seineldin did."

In statements to Radio Rock and Pop, Rico said: "I did not know that a rebellion would take place, but it seems the government did." He said the reasons for the rebellion last Monday "demonstrate the lack of professional dignity, the absence of leadership in the Army, its lack of identification with the political system, and the existing resentment in the cadres."

On the other hand, Rico asserted that "Monez Ruiz' brother participated" in the 3 December uprising. Monez Ruiz' brother had been pardoned by the executive branch. Rico reported that "the armored cavalry brigade did not intervene because it had been sabotaged."

Military Begins Investigation; Judge Objects

PY0712205090

[Editorial Report] Buenos Aires NOTICIAS ARGENTINAS in Spanish at 1350 GMT on 7 December carried a 600-word item reporting that on 6 December, the Armed Forces Supreme Council began its investigation into the 3 December military uprising by summoning the two highest-ranking rebel officers. They questioned Colonel Oscar Ricardo Vega, leader of the uprising at the 601st Battalion in El Palomar. Colonel Vega testified for three hours.

The council had also summoned Colonel Luis Enrique Baraldini, leader of the uprising at the 1st Infantry Regiment in Palermo, but Col. Baraldini "was unable to testify because he had no defense attorney." Baraldini will testify on 7 December after the council appoints an attorney for him.

The same source at 1501 GMT on 7 December carried a 100-word item reporting: "At noon today Federal Judge Miguel Pons reasserted his court's jurisdiction over the military officers involved in the events of 3 December and notified the Armed Forces Supreme Council that it should disqualify itself from the investigation."

Judge Pons also pointed out that Article 18 of the Constitution expressly forbids the punishment of political crimes with death.

Rico Terms Rebellion 'Mutiny of NCO's'

PY0712215890 Lima Television Peruana in Spanish 1800 GMT 7 Dec 90

[Interview with Aldo Rico, retired Army lieutenant colonel who led the Holy Week and Monte Caseros military rebellions in Argentina, by an unidentified journalist in Buenos Aires; date not given—recorded]

[Text] In the opinion of retired military officer Aldo Rico, who led the Painted Faces Holy Week rebellion in 1987, the recent rebellion was nothing but a trap for mutinous military.

[Begin recording] [Announcer] Aldo Rico, former Argentine Army lieutenant colonel who led the Holy Week and Monte Caseros rebellions, comments in this interview about the latest Painted Faces uprising:

[Rico] It was a rebellion of Army NCO's [noncommissioned officers]. Read the list of arrested rebels and you will realize that. There are 15 officers and over 300 NCO's on the list. That is how I became aware of the nature of the conflict. Colonel Seineldin introduced a political, an ideological component into what was just a simple military demand. This was transformed into a revolution—sorry, into a mutiny of NCO's.

[Unidentified reporter] Do you believe it is possible that President Menem will ask for the maximum sentence for those who were in charge of the operation?

[Rico] The president has left this in the hands of the courts. I do not know what effect the martial law that was drafted on the night of 3 December will have. The Military Code, however, calls for capital punishment only when there is a war. I do not know whether a state of siege is similar to a war in the eyes of the law.

[Announcer] Asked whether the Painted Faces movement has been destroyed as a result of this rebellion, Aldo Rico, who is currently involved in politics, answered:

[Rico] The Painted Faces movement has political manifestations. We must understand that members of the Painted Faces movement were on both sides; it was not a matter of the Painted Faces. [end recording]

Rico To Be Questioned About Telephone Call

PY1012003290 Buenos Aires BUENOS AIRES HERALD in English 8 Dec 90 p 1

[Excerpt] (NA-DYN)—Cashiered lieutenant colonel Aldo Rico will be called before the courts to declare if he had any previous knowledge of Monday's [3 December] carapintadas [Painted Faces] uprising, Legal Secretary Raul Granillo Ocampo said yesterday.

Government prosecutors have been instructed to summon Rico after journalist Bernardo Neustadt played the tape of an alleged telephone conversation in which unnamed civilians are implicated in the revolt in his Radio America programme yesterday.

Neustadt says the tape was left at his home and that it contains a taped telephone conversation between Rico and lawyer Alejandro Vazquez.

Rico refused to make any comments to the press on the tape yesterday.

Vazquez, on the other hand, sent a letter to Neustadt denying the conversation ever took place and threatening to sue unless Neustadt "publicly rectifies" himself within the next 48 hours.

Vazques also denied the conversation to members of the press. Vazquez is a former lawyer for Rico and president of the Argentine Patriotic Association. [passage omitted]

Menem Discusses Armed Forces Restructuring

PY0812005690 Buenos Aires Argentina Televisora Color Network in Spanish 2234 GMT 7 Dec 90

[Speech by President Carlos Menem at a ceremony to sign a decree on restructuring the Armed Forces held in the White Hall of Government House in Buenos Aires—live]

[Text] Messrs. national and provincial lawmakers, assistants, ladies and gentlemen, soldiers of the Argentine Armed Forces:

The defense minister has just announced several structural transformation measures that will be enforced in all Armed Forces sectors as of now.

I reiterate that they are structural transformation measures. They are neither demagogic nor rhetorical measures; they are not measures that have only been taken because of circumstances. They are measures that call for a great deal of courage, devotion to service, and professional honor.

The commander in chief is aware that his subordinates have these qualifications, and knows very well that all of them support these guidelines because both the commander in chief and his subordinates do not want the Armed Forces to be weak, without a future, and without specific tasks.

For this reason, today I am summoning you for a battle, for the most important, transcendental battle our Armed Forces will have to fight to enter the path of modernization, adopt strategic options, and improve their equipment. I am summoning you for the great battle of assuming the national defense with an active, expeditious, and efficient approach, in keeping with a world that is undergoing major changes.

I know very well that this battle calls for sacrifice, that there will be a price to pay, and that it will be a painful process. It is for this reason—let me reiterate this—that this battle must be fought by the glorious armed institution of the fatherland. The Armed Forces have never engaged in easy undertakings, they have never lived without risks, and their deeds have never been effortless.

With this set of measures, we want to restructure the Armed Forces to optimize them. We seek to save funds and improve operational efficiency, joint action, and performance in a country that is looking to its future.

This decision is part of the general restructuring of the state. Rather than an economic or technical decision, it is a step that seeks to introduce a genuine cultural change that is rooted in history so we can start looking to the future.

It is the historical identity of our Armed Forces that today allows us to plan for the future.

Let us recall the legacy of Liberator General San Martin. Our forbearer did not cross the Andean range without hardships. On the contrary, he crossed the mountains with a uniform that was worn out from wind and dust, carrying his own sleeping bag and fighting side by side with his soldiers.

I am totally convinced that all Armed Forces members now want to continue that deed to efficiently and patriotically fulfill their professional duties.

Let us recall the absolutely clear words of the Captain of the Andes: "The most outstanding events of war and the most glorious enterprises of the genius of men would do nothing but awaken a feeling of admiration and fear among the people unless the people see that such events and enterprises can lead to an improvement of their institutions and compensation for their current sacrifice."

Guided by those words, we are following the path of modernization and the path of moral and spiritual recuperation of the Armed Forces.

In this regard my order is clear and categorical. The commander in chief will not tolerate any doubts or weakness in this battle.

For our men in arms we want a single national doctrine and a single cause: the cause of order, justice, and coexistence, not the cause of convenience.

The Armed Forces, as participants in a world longing for peace, must also be decisive factors for regional integration and pillars of the country's international policies. Internally, they must be united around domestic affairs, fulfilling several activities related to the people's well-being, and supporting the different national communities.

There is no such a thing as a civilian sector and a military sector in Argentina. These two societies do not exist simply because there is a single Argentina, which is fighting for its final transformation at this historic moment.

As president of the nation and Armed Forces commander in chief, I guarantee you that I will not spare any effort to level obstacles to our development. I do not fear any political cost when the nation's sacred interests are at stake. I will act with the same courage to nullify the past to prevent anyone from brandishing his weapon against democracy and its institutions in the future.

No tremor will shake the steady hand of this president who, with the authority to govern bestowed on him by the Argentine people, is resolutely ready to annihilate those maladjusted people who want to change the course of our society through irrational demands and, of course, savage methods.

The dramatic hours recently experienced by our people strengthened us even more in our conviction that our military institution—our Army, Navy, Air Force, and security force—has a single banner, a clean face and pride; respects the law and government of the people; and has a profound inclination to repel internal or foreign invaders who seek to base themselves on an ambiguous, confusing slogan to reach power.

The messianic, alienated men who in their barbarous action have taken the slogan "God, fatherland, or death" have forgotten that both the fatherland and God are not exclusive options in life. On the contrary, confirmation of God represents confirmation of life itself, not bloodshed among brethren.

Although "Subordination and Courage" is the main slogan of our forces, subordination and courage is not a symbolic formula that can be used for the convenience of this or that group. The very essence of national weapons means being subordinated to the will of the president, the Armed Forces commander in chief, and the representative of the people's power, elected by free, constitutional elections.

Those same people do not need a blood-tainted position to confirm their Christian and patriotic ideal. Today they expect monitory punishment for the bold and the misguided. And, today, in front of all citizens, I can assure you that the punishment will be monitory within the framework of justice and legality.

The future also has other challenges that are more constructive and contain a greater call. We are going to integrate the Armed Forces into civilian life, education, and work.

We will do it through the contributions each military sector can make—without affecting its military spirit—to destroy fictitious barriers and empty, ill-intended ideologies that seek to divide society.

I mentioned that there are several strategic options we have to adopt. The list of these options is also a strategic issue for our defense and security policy.

First, as a priority objective, the Armed Forces should retreat [replieguen] to keep our ideals of federalization high.... [Menem corrects himself] The Armed Forces should be redeployed [redespliguen]—I want to use the right words. I do not mean that they should be deployed [desplieguen], but that they should be redeployed to keep our ideals of federalization high.

We have to reorganize the Armed Forces into a true bloc based on the principles of unity and solidarity with which the Andean Army fought far from Buenos Aires so that the United Provinces of the South could join together in a single effort for independence.

The process of federalization includes the assignment of a larger number of officers and troops to the southern region because every corner of the fatherland is to be guarded and consolidated. The most essential factor, however, is that we should occupy those areas of the southern region that are strategically important.

This way we will also promote settlement of the population, letting our brothers from the south know that their Armed Forces are standing firmly near the Argentine flag. We will let them know that national spirit prevails over cold weather.

We must harmoniously observe two major principles. One is the creation of occupation and civilization outposts in areas with a small population. That was the banner with which the Armed Forces helped build our nation. Today this ideal must be in harmony with the need to strictly meet technical and professional requirements, improving the use of the military's capacity.

Within this framework, we have not disregarded our Antarctica in the restructuring process. The number of Antarctic bases will be reduced to improve their quality, optimizing their research capacity for the benefit of our nation.

This decision was also based on the need to cooperate with other countries at the South Pole to achieve joint progress, which will improve the scientific qualifications of our personnel in that region.

Redeployment of the Armed Forces also means that facilities will have to be moved. Moving the military schools means taking military training facilities to more appropriate areas.

Today the concept of defense is not rigid, static, obsolete, or tied to old dogmas. It is a dynamic, creative, and innovative concept. We should therefore readapt our military forces to geographical and technological conditions, as is demanded by Argentine history.

We have to renew the barracks, integrating them into the modernization process that the rest of society is going through. At the same time, we have to return to the soldier who lives in all of you—and I am sure of this—the true raison d'etre and national defense spirit, which are essentially active and dynamic.

All these transformation measures have a firm order from this commander, an order that cannot be rescinded, a decision that is now an order: The proceeds of all privatizations resulting from the sale of buildings that are either idle or of little use to the forces will be invested in modernizing the Armed Forces. I am looking at the economic team members at this moment.

Naturally, the plan we are implementing today is not limited to a simple process of selling assets. This is an instrumental, but insufficient stage. A technological restructuring is also urgently needed, and along with the Defense Ministry, we have decided that the implementation of this transfer of assets will yield fruitful benefits for the military institution. We will foster the reconditioning and technical upgrade of materiel. Above all, the men under arms will shoulder most of the activities, consolidating their place in society, their professionalism, and the enhancement of their spirit of service as guardians of national sovereignty and peace.

Comrades: When I took over this government I took a pledge to put our Armed Forces on their feet forever. I called on them to share with me the greatest honor a soldier can share: To be a responsible and patriotic champion of the national pacification process. I know that the overwhelming majority of you welcomed those words with conviction.

Thanks to the true emulators of our liberator, who was the first republican, we have taken great steps today toward national reconciliation. In the same manner, as our society as a whole had to face structural reforms in all sectors, the military institution cannot be left outside of the reorganization process. Decentralization and regionalization of logistic support play an important role in this reorganization, concentrating in strategic bases elements that are today dispersed.

All these measures implemented today mean a decisive march toward the future, a certain and foreseeable horizon for all men under arms. They represent the great challenge to be faced in the next few years for final recovery of the military institution, within the framework of a nation and world that are rapidly changing.

Today's order is national unity—there is no other alternative. We must look forward and leave behind a number of disagreements. Consequently, the Armed Forces as another sector of the Argentine society are an irreplaceable instrument of the state. In fulfilling their specific tasks, they have a fruitful task of strengthening democracy together with the other sectors of our society.

Finally, I would like to point out that weapons have an essential role in preserving peace. The existence of weapons are justified as deterrents to preserve peace. In this regard, they must contribute with the other sectors of national activity to achieve sound cooperation and integration with the nations that comprise Latin America.

I want to repeat once again that our broad idea of national defense is related to regional integration and to the Argentine strategic international policies.

Within this context there can be no stagnate compartments—they will not exist.

Messrs. chiefs of staff, Messrs. officers and NCO's, Messrs. chiefs of the security forces, soldiers of the Armed Forces: Receive these orders with the assurance that they represent an option with an eye to the future. You should know that the future is not what is going to happen, nor what will come, nor what may happen. The future begins today, here and now, in this present time that we are championing.

This is why I am giving you this task. This task is a mission that must be carried out under the eyes of the Argentine people. I know I can count on all of you for this epic of the transformation and restructuring of our military instrument.

I also know that all Argentines count on it with the protection of God, the source of all reason and justice.

The Argentine nation, through everyone's effort, has finally found its legs and is advancing toward its destiny of greatness. I am absolutely certain that we will not lose the battle we are being called to fight. The commander in chief of the Armed Forces guarantees it.

I believe that on 3 December Argentina attended the foundation of its new Armed Forces. Today I declare the new era of our military institution open for the good of the fatherland, for the good of the people, and for the good of the world.

I would like to quote two great authors, who are not exactly Argentine, but whom we must take into account.

Antoine de Saint Exupery said: If you are not useful to the stars, you will not possess them. I am saying to all Argentines: If we are not useful to our fatherland, we will never posses it.

Entering the sphere of freedom, I want to cite Richard Bach, who in his famous book *Jonathan Livingston Seagull*—a book that allowed me to enter the field of aeronautics—said: Everything that impedes freedom must be eliminated. The only true law is the one that leads to freedom. Break the chains of your thoughts and you will also break the chains of your body; thus you will be free to go where you want and to be what you are.

We Argentines have the great challenge of going where we really want to go and of being what we really merit being. I bring to mind this phrase of the greatest man of our military institution, General San Martin: You will be what you will be or you will be nothing.

Thank you very much. [applause]

Reorganization Measures Described

PY0812170090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2210 GMT 8 Dec 90

[Text] Buenos Aires, 7 Dec (NA)—For the Army, the military restructuring will result in the dissolution of corps commands and the sale of 3,000 hectares of the military unit in Campo de Mayo, military properties throughout the country, and military quarters in Ciudadela.

The following is a list of the restructuring measures announced by Defense Minister Humberto Romero:

—The transformation of brigade commands into divisions.

—The rationalization of peacetime deployments through transfers, mergers, and reductions in personnel.

—The transfer of Campo de Mayo military schools to Corrientes and Entre Rios Provinces.

—The transfer of the military lyceums to private foundations.

—The decentralization of logistic support, eliminating an intermediate level and concentrating resources in regional logistic bases.

—The redistribution of personnel currently assigned to administrative activities to operational activities.

—The sale of Army properties in the Federal Capital, Greater Buenos Aires, and the interior, including the Arsenal Directorate, military quarters in Ciudadela, 3,000 hectares in Campo de Mayo, the Health Directorate, the Construction Directorate, the Quartermaster Directorate, the General Accounting Office, and seven hectares in Palermo.

—Properties of interior military districts. [sentence as received]

President Carlos Menem also decided to alienate several properties belonging to the Air Force and to transfer, deactivate, rationalize, and reorganize several Air Force units within the framework of the Armed Forces restructuring announced by Defense Minister Humberto Romero.

The main measures that affect the Air Force are the following:

—The alienation of properties in Moron, the Alas building, the Officers Club in the Federal Capital, the Air Force Higher Studies School, and the Aeronautics General Health Directorate.

—The transfer of the 7th Air Brigade seated in Moron to Mariano Moreno.

—The deactivation of the Ezeiza NCO School.

—The rationalization of activities in the Condor building, unifying personnel, legal, and accounting activities.

—The downgrading of the 2d Air Brigade of Parana, the 5th Brigade of Villa Reynolds, and the 10th Brigade of Rio Gallegos.

—The concentration in Ezeiza of the 1st Brigade of El Palomar, the 7th Brigade of Moreno, and the former Ezeiza NCO School.

For the Navy, the Armed Forces restructuring project being implemented by the government will represent a structural adjustment based on the acquisition of new technology, the reduction, transfer, and centralization of organizations, and the redeployment [redespliegue] of activities and units in Patagonia and Isla de los Estados.

The main reorganizational measures that will affect the Navy are:

—The centralization of actions in a single command organization.

—A structural adjustment based on technological progress in the administrative, logistics, recruiting, and operations fields.

—A reduction of high-ranking staff in training center directorates and their direct subordination to the operational units in which they serve.

—The concentration of recruiting and conscript training centers into a single unit to improve the efficiency of the system through recruitment by stages.

—The reduction, transfer, and centralization of the following organizations in the Libertad Building: the Navy Weapons and Electronics Directorate, the Navy Records Office, the Navy Housing Committee, the Navigation Administrative Board, and the Buenos Aires Electronics Shop.

—The integration of the Navy Mechanics and Navy Infantry NCO Schools.

—The optimization of the information technology system.

—Scheduled operative actions: the redeployment and reorganization of the Navy Aviation and Navy Infantry, and the redeployment of units and activities to the south of Patagonia and Isla de los Estados to better control the sea and increase the availability of units for search and rescue activities.

The government has decided to "readjust military attache posts by assigning a single representative for the three forces in each embassy abroad" and to form a "quick deployment" force within the framework of the Armed Forces restructuring process, Defense Minister Humberto Romero announced today.

The main restructuring features within the Armed Forces Staff are the following:

—The restructuring of joint military courses abroad.

—The selection of a piece of land for the joint training of forces, the geographic location and size of which must satisfy the needs of the three Armed Forces.

—The implementation of a communications system for national defense.

—The transfer to Tierra del Fuego of existing military elements in the national territory to organize a joint force, thus contributing to the integration and development of the southern part of the country.

—The organization of a fast, dynamic mobilization system.

—The establishment of regional maintenance centers.

—The organization of a common accounting system for the Defense Ministry and security and Armed Forces.

Menem Discusses Death Penalty for Rebels

PY0812160690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1002 GMT 8 Dec 90

[Text] Buenos Aires, 7 Dec (NA)—Following a conversation with Monsignor Antonio Quarracino, President Carlos Menem has said they both agreed on the fact that "Catholic doctrine does not consider the death sentence as essentially wrong."

"We discussed the subject, and he maintains the same view that St. Thomas maintained—allowing the death sentence," Menem said, reporting on his conversation with Quarracino. The chief of state spoke about his conversation with the bishop yesterday in reference to the sentences that could be issued for the Painted Faces military men who participated in the 3 December rebellion.

As for how the rebels financed their uprising, Menem said that he had given "firm orders" to investigate the source of the Painted Faces' funds. "No one can go unpunished after this bloody day we had to endure," the president said.

"The Painted Faces cannot say—as I heard this morning—that they had not been warned, because the possibility of an uprising had been considered for a long time," Menem said.

Menem said Seineldin had sent him a letter last October stating that the circumstances could occur, "so I told him and his aides to please be careful, because any attempt to break the constitutional order could even cost them their lives." "They risked their lives absurdly, arbitrarily, and now they will have to pay the consequences," the president said.

He added that those responsible for the military uprising "are under the power of the military court, the court-martials, and of course, penal civil justice."

Menem spoke of "a military man who signs off with the words 'God, Motherland, or Death,'"—referring to Seineldin without mentioning him by name—and said that such a statement "was valid in the times of Quiroga [La Rioja caudillo, 1793-1835] but not anymore."

Referring to last Monday's uprising, Menem asked: "What was done in the name of God? His name was stained by the spilling of blood. What has been done for the country? It has been humiliated by this kind of attitude. The only thing that remains is death, and death is not advisable for anyone. I want men who speak of life."

Menem said: "It was heartbreaking to see the wives, parents, and children of Lieutenant Colonel Pita and Major Pedernera at their funerals." He added: "Pedernera's wife told me: 'My husband died defending constitutional order. Now I hope that justice will be carried out without any concessions. Those who should be executed must be executed.'"

Civilians To Be Tried With Military Rebels

PY1012121090 Madrid EFE in Spanish 1913 GMT 9 Dec 90

[Report by Julio Villalonga]

[Text] Buenos Aires, 9 Dec (EFE)—The repercussions of the economic support that was extended to the military rebellion on 3 December may turn into a political scandal. Meanwhile, civil and military judges have both claimed jurisdiction over the trials of hundreds of rebels.

Interior Minister Julio Mera Figueroa on 8 December reported that on 10 December he will submit to Federal Judge Miguel Pons, who is questioning the civilians who participated in the rebellion, a list of "12 to 14" civilians who are involved in the uprising.

Justice Under Secretary Cesar Arias has said that the list includes "medium to high-level" businessmen with an ideology that is "consistent with that of the people who led or planned" the bloody rebellion.

In February 1989, Arias worked with lawyer Oscar Igounet on the investigation of alleged relations between Alfonsin's administration and the leftists who attacked the La Tablada Regiment.

At that time, neither Arias nor Igounet denied their links with Colonel Mohamed Ali Seineldin, who has now claimed "full responsibility" for the uprising on 3 December.

This is not the only enigma of the bloody events that happened in four Army units, including the staff headquarters.

Former Lieutenant Colonel Aldo Rico twice rebelled against the government of Alfonsin, saying on both occasions he said that Seineldin was his leader. On 7 December, he harshly criticized Seineldin in a phone call to a former lawyer who had represented both men; Rico's phone call remarks mysteriously appeared in a radio station.

Rico said that Seineldin is a "traitor," that he "never fought," and that "if he is not executed, I will kill him."

Some Buenos Aires press sources today stressed that it was a maneuver by Rico's group who founded the Movement for Dignity and Independence (Modin) Party, and who now wants to "quickly" break his links with Seineldin to avoid jeopardizing his—Rico's—new political career.

Rico's attitude has been echoed by the business sector. Jose Luis Manzano, leader of the ruling Justicialist Party bloc in the House, has charged that some people financed the rebellion.

Press sources of the economic sector have stressed that businessmen, bankers, and economic groups on 3 December began to exchange private and mutual accusations over the possible consequences of having invested funds in the rebellion.

Out of fear of legal reactions, and in the wake of Manzano's statement that there is no tangible evidence but mere indications, specialized morning newspaper AMBITO FINANCIERO on 7 December published detailed information on the rebels' financial sources.

The list includes a cement industry businesswoman who is a government's nonsalaried ambassador [Amalia de Fortabat], a bank [not further identified] that is having problems and that is involved in a lawsuit with the Central Bank, and a multinational grain company [Bunge and Born] that supported Menem during the first months of his administration.

Economy Minister Antonio Erman Gonzalez has said that "they are the same old people who bet on every possible alternative, just in case."

An investigation is not likely to yield results among those who are involved at a high level.

Government sources have stressed to EFE that the Argentine Government wants "them to never again engage in such an adventure, for which reason, rather than as a legal sanction, we want moral and public support."

As for the specific responsibility for the deaths of civilians and military men, and for the economic and moral damage caused to the state and to society, consulted court sources admitted that "there are problems" in establishing who should try whom.

While Judge Pons wants to pass judgment on all civil and military rebels, the Armed Forces Supreme Council—the top military tribunal—has begun its lengthy questioning of the military rebels.

There are legal obstacles for the enforcement of the death penalty because the Supreme Council members must make a "unanimous" decision.

In addition, since the decision must be appealed before civil courts, the Buenos Aires Federal Chamber can confirm or reject the military decision.

If the decision is confirmed, a unanimous vote will authorize the executions.

Finally, and as a special action, the Supreme Court could hear the case and its nine members could once again confirm such a serious penalty. The penalty would otherwise be life imprisonment.

Hearings Continue Despite Jurisdiction Row

PY1012005090 Buenos Aires BUENOS AIRES HERALD in English 9 Dec 90 p 4

[Excerpts] (NA-DYN)—The trials of civilians, Coast Guard members and military officers who participated in last Monday's [3 December] uprising continued yesterday although there is still disagreement between investigating Judge Miguel Pons and the Armed Forces Supreme Council over who has the right to try the rebel officers.

Federal prosecutors Oscar Ceruzzi and Gustavo Hornos maintain that Pons has no jurisdiction over the rebels but Pons rejected their statements again yesterday, arguing that he does have jurisdiction under the defense of democracy law.

Pons has still been refused military documents linked with the rebellion and has not been allowed to inspect the Libertador Army headquarters, taken by the rebels last Monday.

Intervention from the Supreme Court is expected to settle the question of competence while various sources believe a Supreme Court ruling would have the military judging the military and the civilians trying the civilians.

Pons finished cross-examining 82 civilians and Coast Guard members yesterday who were allegedly involved in the military uprising. The judge gave no details of his findings.

Reports differ as to who will question Major Hugo Abete and Major Pedro Mercados over their part in taking over the Patricios Infantry barracks on Monday. Military sources say the Supreme Council will be trying the two majors while other sources maintain that Pons will be grilling them [passage omitted]

Meanwhile, the Armed Forces Supreme Council questioned Generals Enrique Sztryle and Carlos Barreto for their part in leading the carapintada [Painted Faces] rebellion. The two generals stated that they were angered by low military salaries according to military sources.

The sources also maintain that the sentences for officers with the rank of captain and above will be known before Christmas with the rest passed in the following weeks. They estimate that some 600 rebel officers are in detention along with 47 Coast Guard members and an unknown amount of civilians.

Defence Minister Humberto Romero yesterday insisted that cashiered colonel Mohamed Ali Seineldin "will be tried alongside the other culprits" stating that "as Seineldin wrote a letter claiming responsibility for the rebellion, he must be tried."

Military sources say that Seineldin will be transferred from San Martin de Los Andes to Buenos Aires later this week to be tried by the Armed Forces Supreme Council. Seineldin is currently serving a 60-day arrest for insubordination at the San Martin de los Andes barracks. [passage omitted]

The defence minister said he hoped for a "rapid resolution" to the trials but said "the many different versions surrounding last Monday's events must be clarified in court."

Government Probing Civilian Links to Rebellion

PY1012014490 Buenos Aires BUENOS AIRES HERALD in English 9 Dec 90 p 4

[Excerpt] (NA-DYN)—Interior Minister Julio Mera Figueroa announced yesterday that he had a list of between 12 and 14 civilian names who are alleged to have links with last Monday's [3 December] uprising, but he asserted that none of them were businessmen in reference to the speculation surrounding the financial support provided the carapintadas [Painted Faces].

Figueroa said that the carapintadas had substantial support including help from civilians but said it was very difficult to pinpoint which groups they belonged to. Nevertheless he stated on Radio Mitre that "they appeared to be leftists."

Meanwhile Justice Under Secretary Cesar Arias contradicted Figueroa admitting with some hesitation that the list contained the names of "those from the business class," with an ideology "similar to that of the rebels." He added: "To put it bluntly, those named like to have eggs in several baskets."

Arias said that the names would be forwarded to Judge Miguel Pons, currently heading the civil investigation into Monday's uprising.

Arias refused to name names however until the government had more concrete evidence. [passage omitted]

Bill on Use of Force in Gulf Submitted to Senate

PY0812125490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1024 GMT 8 Dec 90

[Excerpt] Buenos Aires, 8 Dec (NA)—Congress has finally received the executive branch's request to approve a bill authorizing the nation's president to eventually order the participation of Argentine troops in the Persian Gulf in military actions against Iraq if Saddam Husayn does not withdraw his troops from Kuwait by 15 January 1991.

The bill, the request for approval of which was signed by President Carlos Menem, Interior Minister Julio Mera Figueroa, and Defense Minister Humberto Romero, was introduced in the Senate at 1430 yesterday and then routed to the Foreign Relations Committee and the Defense Committee, presided over by Justicialist Senators Eduardo Menem and Horacio Bravo Herrera, respectively.

Senator Menem told NOTICIAS ARGENTINAS that Foreign Minister Domingo Cavallo will go to the Senate on 13 December to explain the bill. It has not yet been decided, however, if Minister Cavallo will meet only with members of the Foreign Relations and Defense Committees or with all senators.

Senator Menem also reported that the pro-government bloc will decide whether the bill will be debated on the floor right away or after the committees issue their rulings. Nevertheless, the Senate's final decision will only be announced after the foreign minister's appearance on 13 December. [passage omitted]

Stalemate at GATT Talks Seen as Costly

PY1012002090 Buenos Aires BUENOS AIRES HERALD in English 8 Dec 90 p 3

[Text] Economy Under Secretary Carlos Carballo yesteday warned that stalemate in the GATT talks and the industrialized nations' consequent continuation of their policy of agricultural subsidies, has already cost Argentina 350 million dollars in wheat export revenue this year.

In a radio interview from Brussels, Carballo called upon producers "to adjust to the market indicators and concentrate on crops with the best price."

Yesterday was the deadline for an agreement in the GATT talks to be reached, but an impasse remained due to the EC's refusal to better its proposal for the reduction of subsidies by 35 percent from 1985 to 1995.

The Economy Under Secretary dismissed the chances that the negotiators will meet again within the next few months as "minimal," since the EC was unlikely to modify its position. And this in turn would lead the other parties such as the US and the Cairns Group to refuse to discuss other trade issues.

IDB Approves Loan for Agriculture Infrastructure

PY1012001690 Buenos Aires BUENOS AIRES HERALD in English 8 Dec 90 p 3

[Text] (DYN-NA)—The Inter-American Development Bank (IADB) yesterday approved a 41.3 million-dollar credit line to Argentina, destined to finance a modernization programme for the country's agricultural infrastructure.

The funds from the IADB credit will be channelled in the form of investments and will also pay for private consultants to examine how to improve and modernize the services the government offers in the agricultural sector through the National Meat Board (JNC), the Institute for Agricultural Technology (INTA) and other organizations.

Projects under consideration include the improvement of animal sanitation control, the protection of forestry resources and of the environment in general and the construction of regional laboratories.

The execution of the programme—the total costs of which are estimated at 107.3 million dollars—is to be handled by the Agriculture, Livestock and Fishing Undersecretariat.

Violence Mars Justicialist Party Congress

PY1012010290 Buenos Aires BUENOS AIRES HERALD in English 9 Dec 90 p 1

[Text] (DYN) La Plata—In a session cut short by violence, Vice-President Eduardo Duhalde was elected yesterday as president of the provincial Justicialist Party Congress.

Before the outbreak of skirmishes between rival party factions, the congress voted for a list of authorities presented jointly by Duhalde's Federal League and Governor Antonio Cafiero's Buenos Aires Justicialist Front (Frepebo), defeating the list of the Menem Conduccion line, which is led by Luis Barrionuevo.

The incidents began when provincial senator Ezequiel Olivo, from the Menem Conduccion faction, attempted to seize the microphone and received a sharp blow in the face.

Menem Conduccion members also clashed with police as they left the congress at the Club Deportivo La Plata. Rubber bullets were allegedly shot as the delegates were sent off the premises.

Duhalde in turn told the party congress: "This is the unity of the Peronist family and not the unity of the violent members, who have to move over and make room for other companeros and companeras."

Duhalde also tacitly took on Barrionuevo—who is currently facing corruption charges—declaring: "The times of violence and fraud are gone forever."

Oliva in turn charged he was savagely gun-whipped by Duhalde's bodyguards in the presence of the vice-president, Cafiero and "some 600 delegates."

And Carlos Brown, gubernatorial candidate for Menem Conduccion, said his line would challenge the vote in yesterday's congress before the electoral courts. Brown accused Duhalde of using "repression and force in order to obtain a post."

Lower House Speaker Alberto Pierri meanwhile announced that the party session had also approved the direct vote of card-carrying Peronists for the candidacies of congressional hopefuls.

Minister Denies Preoccupation With Dollar Value

PY1012022890 Buenos Aires BUENOS AIRES HERALD in English 8 Dec 90 p 3

[Text] Economy Minister Antonio Erman Gonzalez yesterday executed an abrupt about turn when he denied that he was "preoccupied" by the level of the dollar, or that the government had plans to do anything about it.

The day before he had said the exact opposite: that the government was experiencing "extreme preoccupation" over the undervaluation of the US currency, and that measures would be implemented to remedy the situation.

Yesterday, Erman Gonzalez claimed the only policies the government will undertake that would push the dollar up are the improvement of the fiscal account and opening the economy.

The first will allow the authorities more scope to buy foreign currency so as to defend the dollar. The latter should increase the demand for dollars by swelling the volume of imports.

The minister denied that the government was considering announcing a bank holiday as a means of stopping the dollar's slide. A rumor to that effect had pushed the greenback up on financial markets early in the day.

In an effort to increase fiscal revenues in the very short term, the date on which value-added tax (IVA) has to be paid is to be advanced from December 22 to 21. As a result, the government will gain almost a week's revenue, since funds coming in on December 22 would not have been available until December 26.

Government Guarantees Christmas Bonuses

PY1012002490 Buenos Aires BUENOS AIRES HERALD in English 8 Dec 90 p 3

[Text] "State Enterprise and government employees will receive their Christmas Bonuses (aguinaldo) before Monday 24," Economy Minister Antonio Erman Gonzalez pledged last night, after earlier announcing that the government would disburse over 100 million dollars to the provinces to allow them to pay state workers their aguinaldo.

The funds—which are to be delivered in cash—will be paid as an advance on the proceeds of the federal revenue-sharing taxes owing to their provinces.

Provincial administrations had demanded 250 million dollars, but after prolonged discussions between provincial Economy Ministers and Provincial Relations Director Rodolfo Vacchiano the smaller figure was decided upon.

Coordination Under Secretary Hector Dominicone took the opportunity to give the Economy Ministers a detailed description of the state reform decree, which the provinces must now enact themselves.

The first part of a World Bank credit destined for the streamlining of the provinces' finances is already being disbursed. A second loan, "Provincias [Provinces] II"—which falls under a credit line for the overhaul of the state administration—is currently awaiting approval.

November Monetary Base Grows by 11 Percent

PY0612211690 Buenos Aires BUENOS AIRES HERALD in English 6 Dec 90 p 5

[From the "Business World" column]

[Text] (NA)—The monetary base grew by 11 percent in November compared to the average level in October, the Central Bank (BCRA) announced yesterday. The expansion was largely a result of BCRA purchases of dollars to stabilize the exchange rate. The organization bought 486 million dollars last month.

7th Monthly Payment to Creditors Made

PY0612211490 Buenos Aires BUENOS AIRES HERALD in English 6 Dec 90 p 5

[From the "Business World" column]

[Text] Argentina yesterday made its seventh monthly payment of 40 million dollars to the country's international creditor banks, Central Bank sources announced yesterday. The same sources also claimed that the government would initiate talks with the banks' steering committee in the second half of next year. The aim of the talks will be to negotiate a refinancing of the country's debt, and to arrange a deal for Argentina under the Brady debt plan.

Government Notes State Sector Improvements

PY0612212090 Buenos Aires BUENOS AIRES HERALD in English 6 Dec 90 p 5

[Text] (NA)—State companies recorded losses of 1.719 billion dollars in the last nine months, the State Comptrollers Office SIGEP [General Syndicate of State Enterprises] announced yesterday. The figure is 56.9 percent down on the same period last year, when losses reached 3.986 billion dollars.

The decline in the deficit was the result of a number of factors:

- State company sales grew by 10 percent to 7.629 billion dollars.

- The dismissal of 21,000 workers lowered wage costs by 6.2 percent.

- Purchases of inputs and raw materials were 7.4 percent down on the first three quarters of last year.

Brazil

Daily Sees Bush Visit as 'Diplomatic Ritual'

PY0712153090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Dec 90 p A 2

[Editorial: "Diplomatic Ritual"]

[Text] As was to be expected, the lightning visit of President George Bush did not result in any significant change in Brazilian-U.S. relations, and it did not produce advances or important agreements regarding current matters that are on the agendas of the two countries. Truthfully, the visit to the continent of the U.S. leader seems to lean much more toward strengthening support for the initiatives that have been taken in the Persian Gulf than toward promoting negotiations on specific matters or on those that are undeniably urgent.

The uproar over the visit could mistakenly lead to a feeling of frustration when the absence of concrete results from the visit are evaluated. In other words, in an effort to maintain coherence with the spree of unfounded expectations there is a tendency to give great importance to ceremonial remarks, which are almost obligatory during a meeting between allied countries.

An impartial and realistic evaluation, however, will show that the statements made did not contain anything really new. When he spoke, President Bush insisted that he does not intend to meddle in the negotiations between Brazil and its international creditors, he reiterated his positions on the Middle East crisis, and praised the policy of economic stabilization and the opening to the outside world being implemented by the Brazilian Government.

Fernando Collor de Mello also reiterated his well-known position on those issues, and ceremonial courtesies and television takes were like an automatic routine, without surprises or emotion.

During that routine, characterized by predictability, sideline events ended up drawing attention, particularly the intrepid performance of the U.S. security service. Almost Hollywood-like, the visitor's security apparatus perversely showed the difference existing between the two countries in the world's geopolitical context.

The embarrassing frisking of personalities and the virtual occupation of the Congress premises by foreign security agents in some way emphasized the colonizer's arrogance, which was not only shocking by its impudence but also at odds with the formality that should normally surround talks between two sovereign nations.

Other than the burlesque aspects of the episodes involving the U.S. security apparatus, there is nothing in the U.S. President's visit that should be especially and specifically noted. Such an observation does not point out any unexpected disappointment; it just gives no ground for exultant and 'underdeveloped' enthusiasm. Above all, a ritual was performed; others will follow.

Batista Reveals Details of Nuclear Program

PY0912011090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Nov 90 p 24

[Text] Rio de Janeiro—Former President General Joao Batista de Oliveira Figueiredo confirmed yesterday that the Air Force base in Serra do Cachimbo, Para State, could have been used for nuclear tests, although the government at that time gave no thought to manufacturing an atomic bomb. This revelation was made to the Commission for Congressional Investigations (CPI), which is investigating the parallel nuclear program, when it visited the former president's small farm in Nogueira, Petropolis Municipality, Rio de Janeiro State.

According to the former president, work at the Serra do Cachimbo Air Force Base began in 1983 and was completed in 1986 during the government of Jose Sarney, who then ratified the parallel nuclear program. General Danilo Venturini, National Security Council (CSN) secretary general during the Figueiredo government, participated in the CPI visit to former President Figueiredo.

In his statement to the CPI nearly a month ago, General Venturini said the parallel nuclear program "contemplated the possibility of developing a nuclear explosive for peaceful purposes." Venturini then revealed that in 1984, Brazil imported 300 kg of uranium hexafluorate (enriched uranium in gaseous form) for use in the parallel nuclear program. The former CSN secretary general continues to keep the name of the country that supplied the enriched uranium secret. He alleges that secrecy was stipulated in the contract for the uranium, and that it was to be used for peaceful purposes only.

The CPI members met with former President Joao Figueiredo and General Venturini for nearly four and a half hours at the former president's small farm, which the press was not allowed to enter. The former president's disclosures were conveyed to the press by Federal Deputies Ana Maria Rattes (Brazilian Democratic Socialist Party - PSDB, Rio de Janeiro) and Luiz Alfredo Salomao (Labor Democratic Party - PDT, Rio de Janeiro). Deputies Fabio Feldamann (PSDB, Sao Paulo) and Mario Lima (Brazilian Democratic Mobilization Party - PMDB, Bahia) and Senator Marcio Lacerda (PMDB, Mato Grosso) also participated in the meeting.

Deputy Ana Maria Rattes, CPI president, affirmed that former President Figueiredo's statement "was a historical piece at a moment of great sincerity and honesty." She pointed out that, according to the former president, "the Solimoes Project (deactivated by President Collor de Mello) was managed by the Air Force and was aimed at enriching uranium with lasers, using informatics." The female deputy also told the press that "the base at Serra do Cachimbo was part of the program, and its objectives were both nuclear and nonnuclear."

After talking with former President Figueiredo, Ana Maria Rattes, referring to the Solimoes Project, said: "A web of stories and legends was spun around it because it was the offspring of a regime of exception [regime de excecao]." According to Deputy Salomao, the parallel nuclear program has spent $500 million so far, of which $376 million were invested in the Aramar Experimental Center in Ipero, Sao Paulo State.

Former President Figueredo gave the CPI members a document from the National Accounting Office (TCU) referring to secret accounts code-named Delta 3 and Delta 4, which were maintained by Brazil's parallel nuclear program. This document asserts that the accounts were "used to record expenditures," not as a cover for irregularities. Deputy Salomao also reported that, according to Figueiredo, the funds in those accounts "came from a contingency reserve fund, which, under the previous Constitution, was administered by the CSN." Figueiredo also said that "the secret accounts were to finance secret projects, but were under strict TCU control."

Bill To Ban International Inspection Proposed

PY0912203490 Madrid EFE in Spanish 0853 GMT 7 Dec 90

[Text] Brasilia, 7 Dec—The Brazilian Congress will discuss a bill banning the international inspection of nuclear facilities that has been submitted by the Commission for Congressional Investigations (CPI), which has been probing the military parallel nuclear program in recent months. The bill bans supervision of "Brazilian installations for the research and development of nuclear technologies" by international organizations.

This initiative might counter the 28 November agreement signed by President Fernando Collor and President Carlos Menem. Under this agreement, Brazil and Argentina will mutually inspect their nuclear installations beginning in 1991.

The CPI has also recommended that the Brazilian Government not ratify, as it has promised to do in 1991, the Tlatelolco Treaty, which was signed two decades ago, stipulating the denuclearization of Latin America.

After eight months of investigations, the CPI concluded that the military parallel nuclear program has peaceful objectives, although, during the last military government of General Joao Figueiredo, it contemplated the possibility of manufacturing an atomic bomb.

Senator Severo Gomes from the opposition PMDB [Brazilian Democratic Mobilization Party] has proposed that the military parallel nuclear program be brought under congressional control so that compliance with the constitutional provision banning nuclear activities for military purposes can be fully guaranteed.

Workers Strike, Call For Salary Adjustment

PY0512234490 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 5 Dec 90

[Text] A total of 1,700 workers on the Brazilian side of the Itaipu hydroelectric dam went on strike today. This is the third strike this year by workers in the Itaipu maintenance and operations department. The workers have given the media a list of 52 demands, the main one asks for a salary adjustment for inflation totalling 417 percent for the November 1989 to October 1990 period.

The strikers have gathered in front of the dam's main entrance, and only essential services, such as the operation of turbines, are being maintained. The strikers and dam leadership have agreed not to allow the strike to affect the dam's operation.

Itaipu has offered the workers a 130-percent adjustment.

Amazon Communication Contract Signed With Italy

PY0512132890 Brasilia Domestic Service in Portuguese 2100 GMT 4 Dec 90

[Text] Brazil and Italy have signed a memorandum of intent to install the first satellite telecommunication system in the Amazon region. This project is being developed by Telebras [Brazilian Telecommunications Inc.] with technology provided by the Italian enterprise Telespazio [expansion unknown].

This project will cost $80 million and will provide telecommunication services to all the Amazon region. It foresees the installation of 50 ground stations to serve 100 localities. National Communications Secretary Joel Marciano Rauber has said that the great advantage of the satellite system is that it does not harm the environment.

[Begin Rauber recording] The first advantage is found in the technological-operational aspect, and the other advantage, if the ecosystem is considered, is the preservation of the Amazon ecology. The system will provide communications to the people living in the Amazon without harming the environment. [end recording]

The contract to install the satellite telecommunication system in the Amazon region will be signed by 15 March 1991, and the project will be operational within three years.

IBAMA, EEC on Funding for Amazon Recovery

PY0612152390 Brasilia Domestic Service in Portuguese 2100 GMT 5 Dec 90

[Text] EEC head Pierre Defeni met today with Tania Munoz, chairman of IBAMA [Brazilian Institute for Environmental Affairs and Renewable Natural Resources], to discuss the Amazon region's environmental affairs. According to Munoz, the EEC wants to implement a program for the recovery of the Amazon forest with the support of the world's seven wealthiest countries.

[Begin Munoz recording] The Brazilian Government and the EEC have decided that we will work on realistic bases, implement clear and specific projects with a beginning, development, and an end, and that these projects will recover destroyed areas. We will also seek economic alternatives for the permanent settlement of the people who already live in the region. We are not interested in dumping large amounts of money in the region. [end recording]

The IBAMA program is the Brazilian Government's answer to the offer made by the German Government in July 1990. The program will be presented during a tripartite meeting of the World Bank, the Brazilian Government, and the EEC, which will be held in Washington on 10 December.

General Says Intelligence Service Still Exists

PY0712033690 Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Dec 90 p A 6

[Text] Military Club President General Nilton de Albuquerque Cerqueira, 60, has said: "The SNI [National Service for Intelligence] is not finished. It just changed its name." He said he received "telephone calls from comrades who were following orders from above," asking for information on an assembly held by the Military Club on 28 November to discuss military salaries. The "new name" for the SNI is Secretariat for Strategic Affairs [Secretaria de Assuntos Estrategicos], said Cerqueira.

Asked about the possible reaction of military men if the government is not receptive to salary claims, Cerqueira said: "It is enough to study the country's recent history." He said he only received expressions of support from the members of the club, which is made up of active duty and reserve officers from the three Armed Forces branches, on the initiatives taken. Cerqueira said he maintains "excellent relations" with the military ministers who are members of the club.

Cerqueira praised Jose Sarney's government as "one of the recent governments that greatly valued the Armed Forces." He said the club's activities "must not be mistaken for those of labor union organizations. We are just defending our members from the unrestricted fall of salaries."

Rocket Launched From Alcantara Launching Center

PY0512142890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Dec 90 p 19

[Report by Alvaro Caropreso]

[Text] Alcantara, Maranhao—The Alcantara Launching Center [Centro de Lancamentos de Alcantara] (CLA) in Maranhao State was effectively inaugurated with the launching of a Sonda 3 rocket yesterday at 1530 (Brasilia time) [1730 GMT]. After two successive countdown interruptions because of strong winds in the atmosphere's highest regions, the two-stage rocket soared to an altitude of 405 km carrying a 142-kg payload designed to test an automatic system of opening the retractile antennas of a scientific instrument that is under construction at the National Institute of Space Research

(INPE) in Sao Jose dos Campos and that is scheduled to be launched in March 1991 by a rocket of the same type.

The mission's main objective, however, was to test the facilities and the equipment of the CLA Operations Control Center [Centro de Controle de Operacoes], where the experts monitor and direct all the procedures before the launchings and collect the information sent by the electronic instruments on the rocket and by its payload during the flight. The CLA was officially inaugurated on 21 February 1990 by then President Jose Sarney, who is from Maranhao State. On that occasion, a one-stage Sonda 2 rocket was launched. A CLA technician has said: "That, however, was just fireworks to bid farewell to the president." At that time, the control center had not been completed.

The launching of the Sonda 3 rocket was also part of an operation initiated on 13 November to train the CLA ground teams. Since then 11 Sbat rockets have been launched. The Sbat actually is a small 70-cm [as published] missile that was developed from the Sonda 1 rocket. The Sbat rocket was developed in the late 1960's by the Aerospace Technology Center (CTA) to test the so-called "optical post" ["posto optico"], a radar system that monitors the climb of the rockets and guides the ground antennas that receive information on speed, acceleration, thrust, vibration, and 62 other sources of data. In addition to the small Sbats, a Sonda 2 was also launched on Monday 26 November, with the same objectives.

According to Lieutenant Colonel Tiago da Silva Ribeiro, who led the CTA operations that culminated with yesterday's launching, the 1991 schedule foresees the construction in Alcantara of facilities for the preparation of the scientific instruments that are installed on the rockets. If the problems of the Brazilian economy do not disturb the flow of budgeted funds, the launching platform of the Satellite Launching Vehicle (VLS) will finally be completed by 1993. The VLS is a rocket that should put into orbit the first satellite built in our country. According to Lt. Col. Silva Ribeiro, in October 1992 two launchings will be carried out involving a new type of rocket, the VS40, which has been developed by the CTA to test the engine of the VLS's fourth stage.

Embraer President's Resignation Accepted

PY0712181290 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 6 Dec 90

[Text] Embraer [Brazilian Aeronautics Company] president Ozilio Carlos da Silva today submitted his resignation to Aeronautics Minister Socrates Monteiro Costa. His resignation was accepted.

Chile

Finance Minister Calls Bush Visit Positive

PY0712154890 Santiago Television Nacional de Chile Network in Spanish 1325 GMT 7 Dec 90

[Interview with Finance Minister Alejandro Foxley by journalist Pilar Bernstein at the Arturo Merino Benitez Airport in Santiago—live]

[Text] [Bernstein] Minister Foxley, what is your impression of President Bush's visit to Chile?

[Foxley] Today I attended a breakfast during which President Bush made a speech. He repeatedly strayed from his script with a great deal of warmth and feeling to convey what he felt about this visit.

I believe he has been greatly surprised by the maturity of this country, by the smoothness with which political institutions are operating. Above and beyond this, however, I believe that the field of economics is where we have made the most progress.

During yesterday's luncheon with President Aylwin, which I also attended, President Bush reached the conclusion that Chile is much more advanced than other Latin American countries, that it deserves a privileged economic relationship with the United States, and that we must move toward a U.S.-Chilean common market. He instructed his ministers present at the luncheon to begin negotiating with us in the coming weeks in order to attain this objective.

I believe that in time the people will realize that this visit is an extremely significant event because if this project works out—and this is bound to take time because we will have to fight it out with the U.S. Congress, which is very protectionist—it will mean that the U.S. market, a market of 280 million people, will be opened to Chilean producers. This will mean jobs for all Chileans, it will mean more job prospects for young people who graduate from universities and technical schools.

To sum up, this drive toward the internationalization of Chile's economy, which we have been pushing vigorously and enthusiastically, is beginning to yield fruits which are very encouraging even for those Chileans who live far away.

[Bernstein] Minister, what about a key issue on which all sectors have had something to say: the poisoned grapes issue? Do you believe this problem will be resolved in the short term?.

[Foxley] I believe this issue will follow its normal course. The issue was brought up yesterday during the luncheon of the two presidents, and they agreed to discuss it later privately to find the best ways to deal with the problem. Undoubtedly we can go through the courts, and this possibility is open both in the United States and in Chile. The Chilean Government has been studying this course of action in Chile and in the United States to see if we are on firm ground and if we have a good chance to win the suit if we go to court.

This is the status of the issue for the time being. We did explain to President Bush that this affair has greatly harmed the businessmen who exported the fruit and also the thousands of seasonal workers, both men and women, who work very hard, long hours. All of them have been greatly harmed, and we all hope that at the very least this sort of thing will never happen again. We must establish in Chile a control system to ensure that products to be exported to the United States will be acceptable to them.

This is the definitive solution for the future, above and beyond our legitimate desire to repair the damage suffered over the poisoned grapes issue.

[Bernstein] Finally, Mr. Minister, it is noteworthy that in all of his speeches President Bush praised Chile's economic policy and criticized protectionism; but at the same time no concrete announcement has been made concerning the lifting of restrictions against Chile. Why is this?

[Foxley] During our meeting President Bush very generously praised the economic efforts of this government. He also acknowledged that there is obviously an ongoing process of growth of exports which began in the past. Thus, he is acknowledging the efforts of the entire country to move forward.

The process of lifting the current restrictions will be very complex because the U.S. Congress represents the interests of specific sectors and groups, which means that the congressmen from California will defend their own fruit producers while the congressmen from Pennsylvania and Philadelphia, where we send our fruit, will defend us. This will prompt debates, and the decisions of the U.S. Congress are not always favorable to us. We must realize, however, that President Bush has said that the Americas Initiative will not be a mere slogan, it will be a reality.

From his very arrival in Chile until this morning's breakfast with the businessmen, I have noticed in President Bush a growing conviction and desire to do things and this will mean good news for Chile.

[Bernstein] Thank you, Mr. Minister.

Vargas Labels Bush Visit 'Impressive Success'

PY0812123090 Santiago Domestic Service in Spanish 2200 GMT 7 Dec 90

[Text] Foreign Ministry Under Secretary Edmundo Vargas has said that U.S. President George Bush's brief visit to Chile was an impressive success, adding that, in the eyes of the President of the world's most powerful country, Chile appears to be a nation that lives in order and democracy and welcomed him and showed him its transformation.

Vargas said the visit has confirmed that bilateral relations are at a satisfactory level and that both countries share common interests.

The under secretary mentioned Bush's favorable comments on political democracy and the free market system in Chile which, according to Bush, is currently the world's most successful system.

Vargas noted the confidence inspired by Chilean President Patricio Aylwin, adding that this was a fundamental factor in the recent U.S. decision to lift the Kennedy Amendment sanctions and to end the exclusion of Chile from the Generalized System of Preferences.

Foreign Minister Enrique Silva Cimma declined to give details on the visit by Bush because he still has to meet with the international economic committee to analyze the issues studied during the visit. The international economic committee is made up of the ministers of finance and planning and the minister secretary general of government.

Silva Cimma said that after this meeting, which will be held by the middle of next week, he will be able to release a detailed evaluation of the U.S. President's brief visit.

Senate Chairman on U.S. Relations

PY0812133090 Santiago Radio Cooperativa Network in Spanish 2200 GMT 7 Dec 90

[Report by Jose Alfaro]

[Text] Senate Chairman Gabriel Valdes has said that Chile has improved its relations with the United States more than any other country. Valdes said U.S. President George Bush was positively impressed with Chile and added that President Bush met with his advisers last night to tell them that all the problems still pending between the United States and Chile must be resolved.

[Begin Valdes recording] I believe that we have improved our situation very much, having ensured the OPIC [Overseas Private Investments Corporation] guarantees; free trade under the Generalized System of Preferences, which is extremely important because it gives us a stable position in the world's largest market, the U.S. market; the suspension of the first part of the Kennedy Amendment, which must now be approved by the Senate; and the free trade treaty. I believe Chile has improved its relations with the United States more than any other country. Our relations were not very good, but everything has been settled, and we are now following a path that is very favorable for our exports, a goal Chile must pursue even further. [end recording]

Valdes said President Bush has fully accepted an overall reorganization of the OAS.

[Begin Valdes recording] We cannot continue with the old-fashioned, museum-like systems that led us nowhere. We must find a system for mutual understanding, for investment, for the debt issue, for environmental affairs, for the fight against drug trafficking, and for the fight against terrorism. Only thus will we really be able to make this continent a safe continent where investments are secure. We must transform our continent into a developed place and bring an end to the enormous differences between the northern and southern hemispheres. We must reach a point where, when the United States makes commitments in Europe and sits at a negotiation table in Paris with the other developed countries, Chile can also sit at the same table. There is no reason why Chile should be excluded from talks on international problems. [end recording]

Valdes noted that Bush is an understanding man and pointed out that issues must be stated clearly, as Chile did during the 23 hours the U.S. President was in our country.

Student Federation Downplays Visit

PY0812135090 Santiago Radio Cooperativa Network in Spanish 2200 GMT 7 Dec 90

[Text] The FECh [Student Federation of Chile] has said that U.S. President George Bush's recent visit to Chile did not yield any results, only confirming what has been known for eight months. The federation noted that the demonstrations against the U.S. President reflect the feelings of many Chileans.

FECh Chairman (Manuel Inustrosa) announced that the FECh will send President Bush a letter through the U.S. Embassy in Santiago to submit its points of view. He added that Bush lost an opportunity to outline a disarmament-for-development program, which would consist of using the defense resources made available by the end of the cold war to benefit poorer nations, particularly in Latin America.

Bush's visit to Chile had the characteristics of a simple act of protocol, full of good intentions, and Bush did not offer Chile anything new, the FECh insisted.

[Begin (Inustrosa) recording] The (?decisions) adopted within the framework of our bilateral relations are the same ones made eight months ago (?when) our country began its process of transition into democracy. These decisions represent nothing new; therefore they cannot make us change our opinion about the United States and its government. This attitude confirms that the United States cannot or does not want to offer anything new to bring us closer together. [Passage indistinct] university students ask ourselves whether Chilean youths, who believe that Chile urgently needs to reorganize its educational sector to offer a better basis for our development, [words indistinct] because of the United States? [end recording]

In its letter the FECh will ask the United States to promote, through the OAS, an effective disarmament plan for the entire region. (Inustrosa) rejoiced over the U.S. President's offer to invest $13 billion in our country over the next four years, but he added that it must be made very clear in which sectors this money will be used.

[Begin (Inustrosa) recording] This investment must allow the country to become more industrialized, obtain the necessary technology, and increase the (?industrial) level of Latin America to enable these countries to compete in the U.S. market. If the $13 billion is invested in this way, we believe that this will represent important aid, (?a perfect help). [end recording]

(Inustrosa) said the violent acts staged by certain sectors that rejected Bush's visit were wrong. He praised, however, the attitude of Rector Alejandro Ormeno of the Education Sciences School of the Metropolitan University, who—based on the principle of university autonomy—forbade members of the public forces to enter the university to repress demonstrations.

According to FECh leader Rogelio Senega, a different situation took place at the IPS [Santiago Pedagogic Institute], where Carabineros injured two students and forcefully dragged them from the institution.

Majority of Politicians See Visit as 'Promising'

PY0812193890 Santiago Domestic Service in Spanish 2200 GMT 7 Dec 90

[Report by Raul Pena]

[Excerpt] A majority within the Chilean political spectrum considers U.S. President George Bush's 23-hour visit positive, important, and promising for the country's future expectations. The leftist minority, with the Communist Party in front, thinks otherwise. Three leaders from different sectors of the political spectrum took a hard look at the U.S. President's utterances and gestures. What were the positive and negative aspects of this quick visit? Most congressmen noted that the key point was the fact that Bush himself said that he was not just talking, but expressing intentions to implement plans that will actually help Latin America, and in which Chile is a pioneer, acting as a pivotal point for the continent's economic rebirth.

As for the negative aspects, deputies and senators from the various congressional blocs were irked by the zealotry displayed by the U.S. security agents protecting President Bush. Some said the U.S. security agents acted as reminders of the hegemonic, domineering traits that have characterized the great nation to the north. For the communists, President Bush's visit was that of an inspector looking over the backyard of a house and then mistakenly concluding that Chile is a model for ensuring profits for multinational companies. The leftists summed up their reaction saying that Latin America has heard declarations like those made by President Bush before.

Communist Party leader Mireya Baltra used strong words to refer to the Chilean Senate president:

[Begin recording] [Baltra] It is a shame the Senate president, Gabriel Valdes, expressed recognition and appreciation, oblivious of the thorn in the nation's soul. This is a problem of truth and justice; the U.S. Government, at the committee of forty-one during the Nixon and Kissinger tenure, planned, organized, and financed the 1973 coup d'etat. [end recording] [passage omitted]

Legislators React to Bush's Speech to Congress

PY0712143690

[Editorial Report] Santiago Domestic Service in Spanish, during its regular newscast at 2200 GMT on 6 December, carries a report on Chilean legislators' reaction to U.S. President George Bush's address to a special joint session of Congress in Valparaiso.

Christian Democratic Party Senator Jorge Lavanderos said: "President Bush has understood that Chile is an intelligent country that does not give in easily, that Chile not only struggles for its freedom but also for its economic success. This success depends on the U.S. executive and legislative branches reaching an agreement because they have differences that affect us and hinder our progress in the direction publicly expressed by the United States. We want a truly free market. Since we have been encouraged in this direction, we do want them to preach one thing and then implement protectionist measures that prevent us from having access to the U.S. markets."

National Renewal [RN] Senator Sergio Diez said that Bush "in very simple words described the important achievements Chile has made during the past few years and noted that it is at the vanguard of the new economic tendencies in Latin America. This represents recognition of the efforts made during the past few years and a warning not to abandon the path of good sense, economic freedom, and respect which we now follow."

RN Senator Sergio Onofre Jarpa said: "Relationships between countries are based on interests. One should never forget that countries have permanent interests and are not permanent friends. The more interests we share, the better our relationship. I hope this objective will be fulfilled."

Socialist Senator Ricardo Nunez, commenting on President Bush's speech said: "I have the strong feeling that he has recognized the role the Chilean democratic forces played in allowing the country to return to democracy, which has been the aspiration of the continent and the world. In this sense, I believe President Bush has recognized the effort all democratic forces made so that Chile could resume its place among the civilized nations of the world. I believe he has also recognized the economic development and progress made by Chile and the pragmatic way in which we have tackled some of the great challenges we have had to face. I regret that he did not mention the cost, probably because it was not appropriate, that this economic growth in Chile has represented. Although we have recognized Chile's great capacity to open its doors to the international market, this opening has been made based on heavy taxes and a great sacrifice by more than 4 million citizens whose efforts should be recognized and whose losses should be compensated."

Political, Business Sectors Give Opinions

PY0712235690

[Editorial Report] Santiago Radio Chilena Network in Spanish, during its regular newscast at 1600 GMT on 7 December reports that the National Renewal Party [RN] "recognizes that the fact that the United States agreed to immediately start bilateral negotiations with Chile is an accomplishment of the government." This statement is in a public declaration announced by RN First Vice President Miguel Otero in which the party also states that the chance to negotiate is a national issue that requires the participation of all people. In the declaration, RN urges the government to form nonpartisan commissions that would include representatives from all sectors to "jointly tackle this historic challenge. RN voices its firm support for this initiative."

Manuel Feliu, Production and Trade Confederation president, referring to President Bush's address to representatives of the Chilean-U.S. Chamber of Commerce, reports that Bush upheld the market economy system and noted "that our country is using it as a development strategy."

Sergio Bittar, Party for Democracy secretary general, says he believes "the Americas Initiative is a modest, general, and rhetorical proposal" and he would like it to be more specific.

Socialist Party Vice President Jaime Perez de Arce says Bush's visit "is proof of the stability of President Patricio Aylwin's government." He also says President Bush's comments "by no means praise the previous regime."

The Communist Party of Chile [PCCh] criticizes President Bush's statement, "noting that it was made within the framework of unequal trade" PCCh Central Committee member Manuel Hernandez notes that "Bush failed to mention the situation of the marginalized sectors of this region."

The Independent Democratic Union [UDI], through its deputy, Patricio Melero, labels Bush's visit "fair and respectful." He adds: "It was a respectful visit because President Bush did not interfere in domestic affairs; the UDI is satisfied with Bush's visit, although there are serious doubts about this visit that remain to be clarified."

Army Officers' Letter to Pinochet Published

PY0612191590 Santiago FORTIN MAPOCHO in Spanish 30 Nov 90 p 3

["Text" of excerpts of the Army officers' letter to Army Commander General Augusto Pinochet as disclosed by Deputy Carlos Dupre; "most important paragraphs" are subtitled; quotation marks as published]

[Text] "The undersigned Army officers are fully convinced that we perfectly understand the situation our institution and its members are enduring.

"We believe the Army is crumbling institutionally because of the La Cutufa case [illegal financial enterprise in which Army men are involved] and to the immorality of the members of its high command.

You might consider strange the way we are handling this issue (through an anonymous letter), but this is because we do not trust the leadership at all. The higher echelons only worry about their own problems and not about the problems of the lower echelons. And the problems of the higher echelons consist of having power and becoming rich to the detriment of the institution's main values, or do you think there is a single Army general capable of promptly informing you of his subordinates' problems? You probably aren't interested in our problems either because the truth is that every time you have visited Army units, we have noticed you have shown great interest in the buildings but have never given the officers a chance to freely and directly express themselves as used to be customary in the Army: face to face as true soldiers.

Some of us no longer belong to the Army, but in view of the delicate and tricky missions we have had to fulfill, on the streets as well as confronting the enemy, and in view of our deep affection for the institution, we feel it is our moral duty to say: ENOUGH! If immediate and effective measures are not taken to resolve the following list of issues, we are determined to disclose a lot of amply documented and very sensitive information that we have been collecting for the past few years.

Involved in La Cutufa

We know that most of the high command was involved in La Cutufa, either as members as the board of directors or as promoters, and we have concrete evidence of this. How do you explain the fact that the DINE [Army Intelligence Service] protects an officer in charge of deceiving naive officers, permanent and civilian Army personnel, by stealing their modest savings? Why, after Sichel [Chilean businessman Aurelio Sichel who was murdered after investing in La Cutufa] was murdered, was an officer involved immediately transferred to Concepcion and why did he cease fulfilling his military duties? How did the Army JEM [general staff] get involved in getting people to invest? Has the Army inspector general told you how much money this financial enterprise handled? What do the most senior managers of La Cutufa, such as Gordon, Orozco, and many others who administrated their and other people's money, have to say? Was the money that General Palacios made at his previous post so insufficient that he decided to actively participate, together with General Varela, in obtaining funds? A last question, General: Didn't you, in your capacity as commander in chief of the Army, know anything about this?

The curious part of this is that some of the generals who became rich went on to "voluntary retirement" as you said, while those of us who were harmed, who believed in the repurchase of foreign debt notes, who deposited our savings and not tax money, who saw the generals actively participate and therefore believed in the honesty of the business, have been discharged, reassigned, or punished because someone, to protect himself, said we were promoters without any evidence, without the right to defense, making the media believe we are criminals. Furthermore, you told the media that no general was involved in the La Cutufa case. That, my general, is a big lie, and the troops don't follow a general who lies.

Willing To Give a Lung

We were willing to give a lung or an eye for you without asking why you wanted it, and now we are not willing to give a peso for you because you are not worth it. We feel betrayed by you. We followed you with our eyes closed; we thought you only sought the well-being of the country and the institution. But we realized that your objectives are selfish and the only thing you care about is maintaining your image and continuing to be the only master in the Army. If you do not think this is true, why don't you dare to find out, dare to ask any Army member if you didn't attack your innocent subordinates in an unrecognizable act of disloyalty to protect the generals or to improve your own image before the government (which we think is cowardice), or perhaps to conceal your son's billion pesos. You made the biggest mistake of your life, however. You aimed at first-line soldiers, leaving those really responsible free and rich. We understand the political pressures, but not the cowardice and disloyalty of the commander.

Given what we have explained, we think that the best thing for the Army would be for you to leave it definitively; to think that all the attacks on the institution, the budget reductions, the bad quality of the commanders, and the lack of training are because of your presence in the Army. If you do not think this is true, compare us with the other institutions. It is clear that most probably there is not one single general capable of commanding the Army, but this is because of the fact that you yourself selected mediocre, fearful men. In any case, give them a chance; you must think that the Army belongs to the country and not to you and your family. If you think this letter has been written out of resentment, we defy you to seek information within the Army, carry out inquiries, let the officers and permanent cadres express themselves, or ask how many maneuvers are being carried out or how much instruction is being given. (They will laugh at this question).

Finally, if justice is not done with clear facts and great clarification, we will release this document to the media together with other documents that are evidence of this case and many others, which will lead to the arrest of the Army commander.

They Have Evidence

As an example, we can say that since 1974 we have amassed written documents, recorded telephone conversations, and other evidence about missing people; reports on extremely serious clashes (when the condor was hungry) [not further specified]; details on you and your family expenses and on the Quince Gate [last word given in English] case (we have very interesting photocopies of invoices); the war materiel case that you did not want to make public; the theft of gasoline from the II D.E. [2d Army Division], KIII [expansions unknown] which, as we already told you, you paid for with a trip to the east; lovers of high-ranking commanders and the expenses they represent (Forestier, Gordon, Toro, Sinclair, Lucar, etc.); the Sichel case and how the Army is trying to minimize it; funds and favors you paid to Alvaro Corbalan so that he created the National Vanguard party to support your regime; Corbalan's management of fiscal funds and copies of the means he used to pressure most generals; and tax funds you gave to your eldest son years ago to manufacture weapons without control of the national comptroller's office (to the extent that not even Famae [Army Ordnance] could recognize them).

There is a long list of items to enumerate because we are many and the files are extensive and varied.

We advise you not to try to find out about the authors of these lines because most probably a mistake will be made and innocent people will be blamed (although you may not care). If you do try you must be aware that all this information will be immediately made public, and you will therefore have to face the consequences.

Signed: members of the Army.

Aylwin Praises Menem, Collor for Nuclear Accord

PY0612163090 Santiago Domestic Service in Spanish 1000 GMT 6 Dec 90

[Text] President Patricio Aylwin has sent a message of congratulations to his Brazilian and Argentine counterparts for having reached an agreement on an international safeguard system that is in keeping with the spirit of the treaty banning nuclear weapons in Latin America.

In his message to Presidents Carlos Menem and Fernando Collor de Mello, President Aylwin said that for many years now Chile's nuclear activities have been overseen by the International Atomic Energy Agency from which it receives the necessary equipment and aid for the development of research programs in the nuclear field.

Aylwin then states that Argentina and Brazil's full incorporation to this international surveillance system will decisively contribute to promote a climate of peace, and scientific and technical cooperation at a regional level.

The message ends by stating that a joint effort may help eliminate the obstacles which, up to now, have prevented Chile, Argentina, and Brazil from fully endorsing the Tlatelolco Treaty.

Communist Provincial Chief Resigns From Party

PY0912214290 Santiago Domestic Service in Spanish 1600 GMT 8 Dec 90

[Text] Sergio Vuskovic Rojo, current provincial president of the Communist Renewal Assembly [Asamblea de Renovacion Comunista, Arco] and former mayor of Valparaiso, has resigned from the Communist Party of Chile [PCCh] because of serious disagreements with the PCCh Central Committee. He has been a PCCh member for 45 years.

Vuskovic said: I am leaving the PCCh quite calmly and without a spirit of confrontation because there are still large new forces within the party. Therefore, I believe the efforts of Arco and the forces that advocate renewal in the PCCh are paying off. He said that efforts have been made for years to have democracy within the PCCh. He added: We advocate joint action, but this does not necessarily mean the same way of thinking and that all communists, as Stalin believed and the current PCCh leadership believes, should think alike. We say no to identical thinking, no to censorship, and no to a bureaucratic centralism typical of a Stalinist leadership.

Vuskovic concluded by saying that he hopes Arco will gather all the communists who believe in change.

Socialist Party Congress Closes in Valparaiso

PY0812233090 Santiago EL MERCURIO in Spanish 26 Nov 90 p C 2

[Report by Claudio Salinas]

[Excerpts] Valparaiso—The Congress for Socialist Unity closed at the congressional building in Valparaiso on 25 November. The congress approved various resolutions accepting the Christian Left as a member of the Socialist Party [PS] and giving the PS greater "freedom of opinion" in its relations with the government. [passage omitted]

The congress also emphasized the need to step up efforts to finalize the party's legal registration by 30 January 1991.

In response to EL MERCURIO questions about the effect of the socialist congress on the country, the new PS president, Jorge Arrate, said: "This congress clearly expressed the PS' decision to continue giving its most honest support to President Aylwin by confirming and strengthening its participation in the Coalition of Parties for Democracy and working for its future development. [passage omitted]

Air Force Denies Attempts To Buy War Materiel

PY0912023890 Santiago Radio Cooperativa Network in Spanish 2200 GMT 6 Dec 90

[Text] Chilean Air Force [FACh] commander General Fernando Matthei denied that he tried to purchase war materiel during his 18-day trip to Israel, England, and Germany. Matthei said he took the opportunity to update information and maintain good contacts with other air forces. Matthei noted his inspection visit of work being carried out in Israel to upgrade FACh F-5 and Mirage-50 airplanes. Matthei pointed out the strong cooperation received from the Israeli Air Force.

[Begin Matthei recording] The advantage offered by Israel—which other world powers and Western countries have not demonstrated any interest in, except for Spain—is that for every contract we sign with them, they also sign good contracts with us; for example, they purchased Enaer [National Aeronautical Enterprise] elements for their own use. This is an important contribution to our own aeronautics industry. I am speaking of contracts over $1 million. [end recording]

Gen. Matthei said that during his visit, he took the opportunity of reviewing new air combat tactics and even to fly in the most modern airplanes.

Finally, the FACh commander said that in three or four years the updating of the Mirage-50 and F-5 airplanes will be complete and they will be much better than they are now.

Lautaro Youth Movement Members Rob Bank

PY0812224290 Santiago Radio Chilena Network in Spanish 1600 GMT 7 Dec 90

[Report by Reinaldo de Rios]

[Excerpts] The Santander Bank branch at 2185 O'Brian Street was attacked, and 17 million pesos in cash were stolen by four individuals claiming to belong to the Lautaro Youth Movement. The individuals wore wigs and were dressed in supermarket employee uniforms. They carried handguns. [passage omitted]

After taking 17 million pesos in cash, they left in a red Charade car, license plate No. EY6093, which they had parked about 50 meters from the bank on Candelaria street. As they were leaving, they threw some Lautaro Youth Movement pamphlets that bitterly criticized the Aylwin government and President Bush's visit. [passage omitted]

Deal Involving Pinochet's Son-in-Law Investigated

PY0912012490 Santiago Radio Cooperativa Network in Spanish 2200 GMT 5 Dec 90

[Report from Valparaiso by Fidel Oyarzun]

[Excerpt] The Chamber of Deputies Finance Committee will investigate the sale of more than 93,000 hectares of nitrate deposits to Soquimich [Chilean Chemical and Mining Association], which has been privatized. Julio Ponce Leroux, son-in-law of General Augusto Pinochet, was reportedly involved in this operation and could be called to testify in Congress.

This action was taken in response to a petition by Deputy Ramon Perez, an independent right-wing deputy for Iquique who has joined the National Renewal bloc. Perez reported that 93,976 hectares of land in the border areas of the first and the second regions was sold to Soquimich in 1985 by the Production Development Corporation. He noted that a small price—8 million pesos—was paid for it—that is, the land cost only 86 pesos per hectare. He reaffirmed that this land has great value and should be recovered by the state.

Perez added that a special law amending the Constitution was issued by the previous regime to make the sale possible. The law was signed by General Augusto Pinochet as president of the Republic, and by the following members of the military junta: Admiral Jose Toribio Merino, Navy commander in chief; General Fernando Matthei Aubel, Air Force commander in chief; General Cesar Mendoza Duran, Carabineros director; and Lieutenant General Cesar Raul Benavides, Army commander in chief. [passage omitted]

Judge Orders Arrest of Former Military Chief

PY0912203890 Santiago Domestic Service in Spanish 2200 GMT 7 Dec 90

[Text] Judge Marcos Libedinsky, who is investigating the activities of the illegal financing company La Cutufa, has ordered the arrest of Brigadier, Retired, Jaime Lucares Robledo, former chief of the La Moneda Palace Military Household. Robledo was arrested on charges of involvement in La Cutufa frauds.

The judge has questioned Captain Gaston Ramos, who is also charged with involvement in the fraud. Cap. Ramos was then confronted with Brig. Robledo. Because of this confrontation, Ramon Escobar de Lacerda and lawyer (Jaime Lazo Aroca), who should have been questioned today, will be questioned on 10 December.

Lawyer Horacio Thomas, who represents the state defense council in the trial, saw the arrest of the former high-ranking Army officer as a natural result of the judicial investigation.

Antartic Meeting Suspends Mineral Exploitation

PY0912231490 Santiago Domestic Service in Spanish 1600 GMT 8 Dec 90

[Excerpt] The international ecological group Greenpeace described as very important the special consultative meeting of the Antarctic Treaty, which has concluded in Vina del Mar after 18 days of deliberations. Greenpeace also expressed its frustration with the meeting's inability to conclude once and for all the debate on the exploitation of minerals in the Antarctic. The two hundred delegates to the Antarctic meeting who met to discuss environmental protection measures agreed to create a new international instrument for protection of the environment. The instrument includes the four proposals taken to the meeting by different groups. The Antarctic Treaty representatives also decided to prohibit, for a long time, the exploitation of minerals in the Antarctic, which is an area of the planet that has not been contaminated. [passage omitted]

Soviet-Chilean Chamber of Commerce Created

PY0712133290 Santiago EL MERCURIO in Spanish 28 Nov 90 p 3

[Text] The document creating the Soviet-Chilean Chamber of Commerce has been signed. This organization seeks to increase commercial, cultural, touristic, and transportation relations between the two countries, to promote imports an exports, and to maintain relations with the Chilean trade and manufacturing unions affiliated to federations and confederations. The document also foresees cooperation in drafting and implementing laws, decrees, rules, and in the dissemination of commercial information. Franklin Ruiz Ives is the chairman of the Soviet-Chilean Chamber of Commerce and Hernan Macaya Hidalgo is the vice president.

Investigative Police Chief on Human Rights

PY0612200390 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 6 Dec 90

[Text] Investigative Police Chief General Horacio Toro has said he is sure that since March 1990 torture has not been practiced in any unit under his command. He made this statement at the Investigative Police building, following the graduation ceremony of 28 student officers. On this occasion, Gen. Toro reported that he had met with the Chilean Human Rights Committee. Gen. Toro said following this meeting that he is sure that any human rights violation committed by any officer from his institution will be reported to the Human Rights Committee within 48 hours.

Colombia

Rebels Kill 4; Public Order 'Normal' for Elections

PA0812140990 Bogota Radio Cadena Nacional in Spanish 1216 GMT 8 Dec 90

[Text] The country's public order was affected a few hours ago when a FARC [Revolutionary Armed Forces of Colombia] column ambushed a military patrol in Caqueta Department, leaving four soldiers dead and five wounded.

An official report by the Defense Ministry points out that the incident took place in the vicinity of San Antonio corregimiento, Milan Municipality, in northern Caqueta, when FARC subversives attacked a Heroes del Guapi Battalion assigned to the 12th Brigade.

The dead soldiers were identified as Manuel Aroca Savala, Luis Alberto Bonilla Laguna, Jairo Bojaca Acevedo, and Luis Ignacio Cobos Dominguez. Those wounded are 2d Corporal Jaime Pena Rodriguez, and soldiers Roberto Carlos Arias Martinez, Wilson Varela Manzano, Jorge Eliecer Castro Villamil, and Jairo Beltran Ladio, who were taken to hospitals in Florencia.

National Army units supported by artillery helicopters are searching a broad sector of Caqueta for the guerrilla column that perpetrated the vicious attack against the soldiers.

Meanwhile, Government Minister Julio Cesar Sanchez Garcia says that the public order situation throughout Colombia is apparently normal except for the incident in Caqueta Department, which resulted in the death of four soldiers by FARC forces. The minister in charge of political affairs insisted that the national administration will guarantee transportation services throughout Colombia, and that instructions to this effect have already been delivered to governors, intendants, and commissioners.

Sanchez Garcia reiterated that the national government's provisions for 9 December are in place, and that they will allow the Colombian people to go the polls en masse to elect the 70 members of the National Constituent Assembly.

Police Reinforced To Ensure Normal Elections

PA0812145290 Bogota Radio Cadena Nacional in Spanish 1225 GMT 8 Dec 90

[Text] The police force in the capital has been reinforced by 1,200 men to guarantee to all residents of Bogota that the National Constituent Assembly elections will proceed normally.

District Government Secretary Eduardo Lopez Obregon explained that the police's primary mission will be to guard 351 voting centers throughout the district. In addition, the 151 immediate attention centers [centro de atencion immediata—CAI] located throughout the capital will be on alert to supply continuous information on the public order situation to the Greater Bogota mayoralty, which will coordinate all activities and will keep in touch with all the police stations and CAI's in the city.

'Complete Order' Reported on Eve of Elections

PA0912035690 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 9 Dec 90

[Text] The report by the Security Council, which met this morning at the Narino Palace, indicated complete order. Only one regrettable incident was reported over the past few hours, when four soldiers were killed and five were wounded in an attack by a FARC [Revolutionary Armed Forces of Colombia] column on a military patrol in the Alban area in Caqueta Department. The incident took place early yesterday morning.

The remains of the four soldiers, as well as the five wounded soldiers, arrived in Bogota a few minutes ago. Other than that, the report on the public order situation indicates total calm throughout the country.

Army Kills Rebels Detaining Voters

PA0912154290 Madrid EFE in Spanish 1455 GMT 9 Dec 90

[Text] Bogota, 9 Dec (EFE)—It has been officially announced that at least three guerrillas from the Marxist Army of National Liberation (ELN) were killed today during a clash with 5th Brigade troops after the rebels erected a checkpost on the highway between Bucaramanga and Barrancabermeja in northeastern Colombia.

Santander Governor Clara Elsa Villalba de Sandoval reported in Bucaramanga, the department's capital, that an ELN front erected a checkpost, detained a few vehicles, and shouted slogans in protest of the Constituent Assembly elections that are taking place in Colombia today.

Villalba de Sandoval explained that the rebels seized the identification documents of eight citizens transiting the highway to prevent them from voting.

The official explained that troops from the Nueva Granada Battalion who were near the checkpost confronted the guerrillas, and three of the rebels were killed in an exchange of fire. An unknown number of those remaining fled.

Defense Ministry sources said that the incident is an isolated one, and throughout the rest of Colombia the citizens are going to the polls in total calm.

Colombians will vote between 1300 GMT and 2100 GMT today for the 70 members of the Assembly that will revise the Constitution.

Guerrillas, Policeman Killed

PA0912210690 Hamburg DPA in Spanish 1811 GMT 9 Dec 90

[Text] Bogota, 9 Dec (DPA)—According to official versions, incidents resulting in the deaths of five guerrillas and one policeman have marred today's Colombian elections to decide on a constituent assembly.

A responsible Ministry of Defense spokesman has stated, however, that these events "do not cloud the calm atmosphere" felt in the country after four hours of voting.

According to the report, two Revolutionary Armed Forces of Colombia (FARC) guerrillas were gunned down in the southern Municipality of Tello (160 km from Bogota) during a clash with soldiers.

Three Army of National Liberation (ELN) guerrillas, who had assaulted several buses and had confiscated voting identification cards, were killed when the Armed Forces intercepted them in a rural area in Barrancabermeja (250 km north of Bogota).

The official version also states that one policeman was killed and two were wounded when they were ambushed by FARC guerrillas in the eastern Municipality of Aguazul (150 km from Bogota).

FARC guerrillas wounded two soldiers with gunfire on military patrol in Sotara (450 km south of Bogota).

Voters 'Showing Relative Apathy' Toward Elections

PA0912213790 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 9 Dec 90

[Text] [First announcer] At this hour, Colombian voters are showing relative apathy, because the crowds expected at the voting tables have not materialized. Juan, why is this happening? What are political experts telling you about this?

[Second announcer] Political experts hired by our station have pointed out that there could be electoral fatigue among the Colombian voters. We have had three elections in 1990, and it is possible that people are tired. There is another reason: They claim that the failure to open registry books for new voters could have also kept many away.

[First announcer] Also, the atmosphere at certain places is not so good as to prompt people to go vote.

[Second announcer] It was thought that the common nationwide factor as to whether people would vote today was going to be rain, but no, it was apathy. I have a very terrifying figure for you. A tour conducted about 17 minutes ago, at 1300, showed the following: In Colombia's most densely populated area, Bogota's Ciudad Kennedy, there was an average of 35 voters per voting table. This is a really low turnout.

[First announcer] We will continue to comment on today's election in Colombia, but here is our first Seven Day Newscast nationwide tour that includes Barranquilla, Cali, and Bucaramanga.

[Begin recording] [Fabiola Torres] Hours after the opening of polls to elect the 70 members of the National Constituent Assembly, the residents of Barranquilla, Atlantico Department, continue to slowly fulfill their democratic duties. In Barranquilla there are 20 electoral zones, with 46 polling sites and 1,600 voting tables. It has 485,334 potential voters. Some changes have been made since the last elections, including the transferring of two polling sites.

[Unidentified speaker] We hope that the end-of-day balance will show once again that Atlantico Department said yes to democracy and that its residents voiced their support for the national institutions with their massive voter turnout.

[Torres] To assist the voters, the Civil Registry Office established a permanent information booth to ensure that everyone votes. The citizens' decision in the elections today will stand as another step in the construction of our nation's institutional future. This has been an election report from Barranquilla.

[Luz Marina Cortes] The election of delegates to the National Constituent Assembly is taking place in complete order. There are 39 voting tables installed in 15 Cali corregimientos, including El Saladito, (Fuelivia), (La Buitera), and others. There will be a special voting table for the living dead—that is, citizens who are listed as dead in the registry for one reason or another at the Civil Registry headquarters, but who are not dead.

If you do not know the polling site and voting table where you must cast your vote, there is a computerized phone system that you can access by calling telephone numbers 84-5667 or 84-5689. The departmental government has decreed a 48-hour dry law in all of Valle del Cauca Department and suspended the right to bear arms for safe conduct.

There is no specific time to issue bulletins with the results, but the Civil Registry Office has ordered that at least three bulletins be issued during the evening. This has been an election report from Cali.

[Luis Francisco Herreno] A total of 1,439 proposals to amend the Constitution distributed to 139 working tables will help Santander Department residents decide on the Constituent Assembly. There are 2,733 polling sites and the total number of voters is estimated at 76[illegible],900 in the department. Bucaramanga is the fifth largest Colombian city with 218,000 voters.

On 27 May of this year, 351,009 citizens participated in the election to call the Constituent Assembly. The department registered an absent voter rate of nearly 50.6 percent. Elections in Santander Department cost more than 700 million pesos. More than 1,500 Civil Registry officials and 21,864 citizens, who are serving at voting centers, are participating.

Santander Department and Colombian residents will learn the election results for this area of the country before 1900; departmental Civil Registry officials have guaranteed this. This has been an election report from Bucaramanga. [end recording]

Office Shows Navarro in Lead

PA1012025590 Bogota Inravision Television Cadena 1 in Spanish 0205 GMT 10 Dec 90

[Bulletin No. 5 issued by the National Civil Registry Office in Bogota on 9 December—read by Secretary General Dr. Alfredo Valencia Castillo]

[Text] We have the results of 30,376 voting tables out of 50,073, which represents 60 percent of the valid votes. The slate headed by Antonio Navarro Wolff is leading with 612,313 votes received, or 26 percent; Alvaro Gomez Hurtado 391,09[illegible] votes, or 16.99 percent; Misael Pastrana Borrero 136,928 votes, or 5.94 percent; Horacio Serpa Uribe 100,677 votes, or 4.37 percent; and Jaime Castro 92,697 votes, or 4.02 percent.

We will give more reports to the journalists in the registry office conference room.

Army Bombs, Occupies Central FARC Camp

PA1012005490 Paris AFP in Spanish 0000 GMT 10 Dec 90

[Text] Bogota, 9 Dec (AFP)—Army Commander General Manuel Alberto Murillo reported that the Armed Forces bombed and occupied the central FARC [Revolutionary Armed Forces of Colombia] camp today. The FARC is Colombia's main guerrilla movement, and its main camp is located in eastern Colombia.

An undetermined number of rebels died during this operation. Unofficially, the rebel casualties have been estimated at 40 or more. The Army troops suffered 11 casualties, including the four occupants of a Colombian Air Force helicopter that was apparently shot down by the guerrillas.

Army Commander Discusses Attack

PA1012024590 Bogota Inravision Television Cadena 1 in Spanish 0134 GMT 10 Dec 90

[Report by Hugo Sierra from the Defense Ministry]

[Text] A news conference at the Colombian Defense Ministry has just ended and here is our official report:

[Begin recording] [Army Commanding General Manuel Alberto Murillo] At about 0700 this morning, continuing with the Centauro Operation, which is being led by the 4th Division with the cooperation of the 7th Brigade troops, Army troops entered the Uribe Region, where the so-called FARC [Revolutionary Armed Forces of Colombia] General Secretariat has been located for many years. All of FARC's operation to disturb public order have been planned in that region.

[Reporter] General Murillo, have you received a report on the results of the attack?

[Murillo] I believe that the results of this operation are favorable for Colombia. We have restored law and order in that part of the Uribe Region. That region is now completely controlled by the Colombian Army, which, thanks to the sacrifices of its men and the magnificent support provided by the Colombian Air Force, succeeded in taking control of that region with the best possible results.

[Reporter] Are there any Army casualties?

[Murillo] Unfortunately, we must admit that there are seven soldiers who gave their lives and blood for the sake of Colombia's tranquillity and security and the principles of democracy that overcomes all Colombians. We now want to pay due tribute to the memory of those seven men.

[Reporter] How many Army casualties? How many wounded soldiers?

[Murillo] That is what I just told you. Seven soldiers were killed and five others wounded. The wounded men have already been evacuated and are being treated at a Bogota hospital.

[Reporter] General, what do you know about the FARC General Secretariat members?

[Murillo] We are making a general assessment of the number of rebels who inhabited that area—especially of their installations, belongings, and means. I ask you to give me more time so that tomorrow I can give you an exact accounting of the results of the operation, especially regarding the rebel presence there.

[Reporter] General, was an Air Force helicopter downed?

[Murillo] [Words indistinct].

[Reporter] Are the helicopter casualties included in those seven casualties?

[Murillo] No, unfortunately I was only referring to the seven Army casualties. We also must regret the death of two Air Force experts who were killed in the helicopter crash.

[Reporter] General, why did you choose 9 December, the day of the elections, to carry out this military operation against Casa Verde?

[Murillo] No, we did not choose this date because it was election day. As I told you at the beginning of this news conference, this is a continuing operation that began in early November. All the Army operations we are conducting throughout the country are of that same nature. We are carrying out these operations wherever there is violence and armed groups bring a grim message to the Colombian people. [end recording]

Justice Minister Says Drug Traffickers Surrender

PA0712160590 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 4 Dec 90

[Text] Justice Minister Jaime Giraldo Angel, who is visiting Medellin, the capital of Antioquia Department, has said that three people with ties to drug trafficking have turned themselves in in compliance with Decree Number 20-47, which grants benefits to those who turn themselves in.

Giraldo said that he has not accepted the offer made by the mayor of Envigado to build a jail for the Extraditables in that municipality. He added that the government will borrow land at no cost in the Itagui Municipality, where the special detention centers intended for drug traffickers who turn themselves in will be built.

According to local Itagui administration officials, the decision has been made. Some of the Extraditables who turn themselves in will be concentrated in Itagui Municipality. The announcement made by the justice minister, however, was not welcomed by administration officials in Itagui. For them, building in the areas adjacent to the new rehabilitation center will cause more problems than benefits. They feel that the government would soon forget about the maintenance costs and that in the event a partial agreement with the drug traffickers is broken off, a drug war would break out in Itagui.

[Begin recording] [Oscar Sanchez Franco, Itagui Council president] We feel that there should be minimum requirements because the municipality has a jail—which we believe is the best jail in the country—and the necessary resources to maintain it. Some minimum requirements, such as an agreement with the drug traffickers, should be considered. [end recording]

While the new jail is being built, drug traffickers will be housed in the 24 cells in the women's section of this detention center, which is one of the most modern jails in the country and has not even been inaugurated. The authorities already have the blueprints and have even signed a contract with a construction firm.

Gaviria on Facilitating Traffickers' Surrender

PA0912142090 Madrid EFE in Spanish 2101 GMT 4 Dec 90

[Text] Medellin (Colombia), 4 Dec (EFE)—Colombian President Cesar Gaviria today announced that his government will order new measures to facilitate the surrender of drug traffickers. He stressed that no authority is entitled to violate human rights in carrying out the law.

Gaviria made these statements during his first visit to Medellin, Colombia's second most important city, hours after a letter by alleged drug trafficker Jorge Luis Ochoa Vasquez—who claimed that the police tortured and murdered some of his relatives—was made public. Gaviria said that his government is willing to modify a decree issued last September, which offered reduced sentences and nonextradition of drug traffickers who turn themselves into the authorities and confess their crimes.

Gaviria explained that, with the aforementioned decree, we will allow that those who confess and cooperate with justice receive the benefits of lesser sentences, although he announced the willingness of his government to issue another clarifying measure before the end of this week.

I want to state that we are willing to modify this decree because we are interested in the pacification of the country and in having those Colombians who have committed crimes submit themselves to justice, Gaviria added.

The Extraditables, the armed branch of the Medellin Cartel formed by drug traffickers who are wanted by U.S. courts, expressed on 19 November their interest in taking advantage of the benefits of this decree, under the condition that they are not extradited to the United States and receive a fair trial.

Jorge Luis Ochoa, who was extradited to Spain in 1987 and has been mentioned as one of the leaders of the Medellin Cartel, yesterday sent letters to Gaviria and human rights defense organizations reporting the disappearance of his cousin Mauricio Isaza Ochoa.

Ochoa accused Colonel Oscar Pelaez Carmona, director of the Directorate of Judicial Police and Investigations (Dijin), and reported that also in November Jairo Humberto Pelaez, the driver of his wife's vehicle, was arrested and later turned up dead.

According to the Extraditable Ochoa, his cousin and Jairo Humberto Pelaez were arrested during a police action headed by Col. Pelaez Carmona and accompanied by some English-speaking people.

President Gaviria stated today that no government official is authorized to break the law, nor carry out actions against crimes that may represent a violation of the law.

Gaviria concluded that our struggle against crime can in no way result in a violation of human rights, although he warned that the cases reported by Jorge Luis Ochoa are at this moment mere reports.

Government Minister Said Planning To Resign

PA0812224290 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 Dec 90

[Text] This news program has been unofficially advised that the government minister of Colombia plans to resign within the next few days.

Reportedly the reason for such a decision is that Government Minister Julio Cesar Sanchez feels alienated from the rest of the government. According to political observers, he does not feel comfortable with the other cabinet members, and the others do not feel comfortable with him.

We wanted to confirm the report about his forthcoming resignation, so we went to ask him if the report is true. This is what he said:

[Begin recording] [Journalist] Is it true that you are just waiting for the current process to conclude to resign?

[Sanchez] One is always prepared to withdraw.

[Journalist] Yes, but is it true that you are going to resign within the next few days? This is what has been leaked.

[Sanchez] We make such decisions together with the president.

[Journalist] It has been said that you have already drafted your resignation and that you plan to resign within the next few days.

[Sanchez] We always think that, but let us wait for Sunday and for the results.

[Journalist] So that you can leave the ministry a winner?

[Sanchez] Not really, because this is not a personal problem, but a matter of what suits the government best, and this is what has to be resolved.

[Journalist] Except that you are somewhat upset because the presidential advisers have practically left you with nothing to do.

[Sanchez] Not at all. I am a team man. I keep vanity in check.

[Journalist] Yes, but it bothers you to be called indiscreet and a bungler.

[Sanchez] What happens is that government ministers become like goalkeepers—the people keep track of the goals that get past them, but not of the goals they stop.

[Journalist] Are you thinking about resigning or not?

[Sanchez] I always think about it, but that decision we adopt with the president.

[Journalist] Within the next few days?

[Sanchez] I do not know. It could be next year. [end recording]

Extraditables Outline Demands on Government

PA0712182690 Bogota Inravision Television Cadena 1 in Spanish 00034 GMT 7 Dec 90

[Text] Lawyer Guido Parra today addressed a letter to the Ministry of Justice outlining and expanding on the Extraditables' demands on the government.

The Extraditables demand that President Cesar Gaviria stick to his pledge not to execute the extradition regulations, even in the cases contemplated in the most recent decrees. They also demand that he eliminate the confession requirement for those who appear before the judges of their own volition, that he substitute a cash penalty for the requirement to inform on their colleagues, and that he designate as collective crimes the actions of drug traffickers and drug terrorists.

'Incentives' Favored for Iraqi Withdrawal

PA0712164390 Hamburg DPA in Spanish 0016 GMT 5 Dec 90

[Text] Bogota, 4 Dec (DPA)—Deputy Foreign Minister Rodrigo Pardo said today that Colombia favors the creation of "incentives" for the Iraqi Government of Saddam Husayn to withdraw his troops from Kuwait.

According to the official, these "incentives" might be the suspension of UN Security Council sanctions against Iraq to which Colombia had voted affirmatively.

Pardo explained that this is being studied informally by some UN Security Council member countries and could facilitate the withdrawal of the invading troops.

Nevertheless, Pardo reiterated that Colombia does not want the Arab-Israeli conflict to be linked to Iraq's withdrawal, like Husayn has requested.

The deputy foreign minister said that Colombia voted at the UN Security Council to authorize the use of force if Iraqi troops do not leave Kuwait before 15 January, although he is hopeful that a peaceful agreement will be reached before that date.

'Kidnapped' Journalist President May Be in Hiding

PA0712183790 Madrid EFE in Spanish 2301 GMT 6 Dec 90

[Text] Bogota, 6 Dec (EFE)—Alejandro Jaramillo Barbosa, 50, president of the Colombian Association of Journalists [ACP] who was reported missing last week, has not been kidnapped but remains in hiding somewhere in the country for security reasons, sources of this professional organization reported today.

The ACP said that, according to a letter signed by journalist Diego Correa, Jaramillo is in perfectly good health after leaving Bogota voluntarily because he feared there would be an attempt on his life.

Jaramillo left his home after handing in to the authorities alleged recordings of conversations between Medellin Cartel capo Pablo Escobar Gaviria and lawyer Guido Parra, who is regarded as the cartel's unofficial spokesman.

Journalism sources reported last week that the Extraditables, the armed branch of the Medellin Cartel, could be holding Jaramillo. In a communique sent to the papers yesterday, this organization denied holding the journalist. After denying they kidnapped Jaramillo, the Extraditables suggested that Jaramillo apparently is being held by people in Cali, alluding to this city's drug cartel.

On 30 August, the Extraditables kidnapped journalists Diana Turbay, daughter of ex-president Julio Cesar Turbay, Azucena Lievano, FRG correspondent Hero Buss, and cameramen Orlando Acevedo and Richard Becerra.

On 19 September, they nabbed Francisco Santos, chief editor of the Bogota morning paper MATUTINO, and, on 7 November, Maruja Pachon, director of the government-owned Film Development Corporation, and her press assistant, Beatriz Villamizar.

Judges, Judicial Employees Strike for Protection

PA0712140690 Paris AFP in Spanish 0350 GMT 7 Dec 90

[Text] Bogota, 6 Dec (AFP)—On 6 December approximately 25,000 Colombian judges and judicial branch employees stopped working to demand that the government give them additional guarantees and protection.

Antonio Suarez, the president of the Judicial Branch National Association (ASONAL), reported that judges and judicial employees will go to their offices in all the cities of the country but will not serve the public.

ASONAL also rejected the statute to defend justice issued by President Cesar Gaviria's government. This statute establishes a "secret justice" plan that entails designating "ghost" judges. With this statute, the government is trying to stop criminals from knowing the identity of the judges that try them and condemn them. The government is trying to reduce the risk of the judges becoming targets of the criminals' vengeance.

Furthermore, the judges and judicial branch employees demand that the government establish a no-age-limit, 20-year service retirement policy.

Further Details on Pursuit of Jorge Luis Ochoa

PA0712182890 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 6 Dec 90

[Text] [Studio announcer] A communique issued by the Extraditables was released on 3 December in which they claim that authorities had entered the Mares farm in Chocoe Department, where workers were being brutally treated. The government already has ordered an investigation of these accusations. Meanwhile, we went to the Casa Quemada farm—known to the drug traffickers in code as Mares farm— where we talked with the workers. Here we confirmed that Jorge Luis Ochoa had been hiding at the farm, where he barely escaped being captured by the authorities. Here is Maria del Osorio with her report:

[Osorio] Jorge Luis Ochoa, his wife Maria Elia Posada, and his driver Jairo Pelaez were among the group of people who were at the Casa Quemada farm in Acandi 20 days before the search operation by the elite force. A farm worker, who was present during the operation, said he recognized Peleaz inside one of the helicopters and not Mauricio Izasa, as the Ochoa family stated in the letter.

[Begin recording] [Unidentified worker] A young man called Jairo showed up here; he was here for approximately 20 days. After I heard the news that he had disappeared, I realized who he was and I can confirm Jairo was inside the helicopter. [end recording]

[Osorio] The operation started at 0800 and lasted until approximately 1400; during this time the interrogations were addresed to the farm administrator and the carpenter. The other farm employees—approximately 50 persons—were forced to lie face down on the floor.

[Begin recording] [Unidentified worker] They came here looking for a cocaine processing laboratory, because that was what they were asking about. They also asked for a man called Jorge Luis Ochoa. I do not know him and I do not want to know him. [end recording]

[Osorio] At the Acandi hospital, the carpenter—a Casa Quemada employee—was registered on 17 October; he remained hospitalized until 18 October. According to hospital records, the patient received blows to his thorax and stomach with heavy objects around 0010. The patient was hospitalized because of respiratory difficulties.

In Acandi, the Fifth Criminal Court has registered the charges presented by the farm administrator against elite corps members. On 23 October, these charges were sent to the Uraba police department.

According to the Ochoa family, the elite corps went to the farm as a result of information supplied by Maurcio Izasa and Jairo Pelaez. For the majority of this region's neighbors, however, the farm's location and the Ochoa family's presence at the farm is no secret.

Paraguay

Itaipu Workers Stage 'Slowdown Strike'

PY0812195890 Asuncion HOY in Spanish 6 Dec 90 p 10

[Report by Rafael Morel]

[Excerpt] Approximately 300 technicians and workers belonging to the STEIBI [expansion unknown] union of Itaipu dam workers decided on 5 December to stage a "slowdown strike" by carrying out only 50 percent of their duties. Thus, these workers have joined their striking comrades on the Brazilian side.

Technicians and workers at the Itaipu hydroelectric dam (on the Paraguayan side) have decided to apply pressure because economic demands submitted to the dam's management have not been fulfilled. The workers decided to reduce their job performance beginning on 5 December, thus joining their Brazilian comrades who are staging an indefinite strike, keeping only the most essential services operational. [passage omitted]

British Envoy Comments on Rejection of Investment

PY0912232090 Asuncion NOTICIAS in Spanish 7 Dec 90 p 9

[Excerpt] The market economy with rules, good or bad, that should be respected was emphasized during a working lunch at the Paraguayan-American Chamber of Commerce yesterday. Another issue was the need to guarantee private property and to provide security for national and foreign investments.

British Ambassador Terry Steggle warned that if Paraguay does not obey the rules of capitalism, it runs the risk of losing foreign investments that could be used for development of the economic-industrial sector.

Ambassador Steggle said: "We are offering Paraguay possibilities for investment. If Paraguay does not want them, there are other countries in the world."

This statement was made in reference to the recent rejection in Congress of "an investment agreement between Paraguay and Great Britain."

According to Senator Carlos Romero Pereira, who also spoke at the Chamber of Commerce yesterday, the reasons for the legislators' rejection of the agreement were emotional. One of the reasons was that national sovereignty would be undermined. [passage omitted]

Two Cooperation Agreements Signed With Germany

PY0912015290 Asuncion PATRIA in Spanish 6 Dec 90 p 5

[Excerpt] Yesterday two cooperation agreements were signed with the FRG at the Foreign Ministry. The German cooperation, which involves 3.291 billion guaranies, shows FRG goodwill, friendship, and understanding. In the last decades, German economic and technical cooperation, which began 100 years ago, has reached about 400 million Deutsche marks, which equals 334.8 million guaranies. The government reiterated that German investors have full guarantees in the country.

The two agreements were signed yesterday in the main hall of the Foreign Ministry in the presence of Washington Ashwell, presidential planning technical adviser, and other officials. [passage omitted]

Peru

Fujimori Receives Award, Comments on Military

PY0912224290 Lima Television Peruana in Spanish 0100 GMT 9 Dec 90

[Excerpts] President Alberto Fujimori said today that the government is willing to defend democracy and struggle against subversion with all elements of the law. He reiterated that by working with order and discipline, the country will be able to overcome its serious economic crisis.

Fujimori made this statement, after being decorated with the Military Order of Ayacucho in the grade of the Great Cross, in a speech delivered at Government Palace. Defense Minister Jorge Torres Aciego and high-ranking members of the Armed Forces also received the same decoration. [passage omitted]

[Begin Fujimori recording] Gentlemen, the regulations state that the supreme commander of the Armed Forces and the police is grand master of the order; therefore, he deserves to receive the decoration in its highest degree. I am very pleased to receive this award, which was also an honor for many generals of the Republic who are linked to the history of our fatherland. I am sure the generals who have also received this decoration today share the joy this distinction represents. For me, it would be difficult to express their feelings because I understand this cannot be explained and because it represents a landmark in their careers.

Therefore, I am going to make some comments about the current situation and the role the Armed Forces are currently playing. We are deeply convinced that in a democratic society, respect for the law, social responsibility, high-quality dialogue, and conscientious participation are methods that are superior to methods that dogmatic, misguided groups try to impose through violence. These groups, which use crime as their method and have society's destruction as their goal, seek to eliminate the historic legacy we inherited from the founders of the Republic.

I tell these groups with the greatest firmness that my government is willing to defend the Constitution and democracy. We are going to show them that with the support of the people, who have largely chosen the constitutional path, and with the support of the Armed Forces and National Police, who are responsible for defending our sovereignty, we have the right to a peaceful, civilized coexistence. We will fight them with all elements provided by the law.

Peru wants to work in peace and order, but above all with discipline. The national majority understands with absolute clearness that only creative, intense, dedicated, and disciplined work will be able to get us out of the profound economic crisis we inherited.

Mr. Chancellor of the Order and gentlemen: I am sincerely grateful for the Military Order of Ayacucho in its highest grade, and I know that by accepting it I have assumed a commitment and a responsibility: the commitment to reiterate my highest support for our Armed Forces and to dedicate my best efforts to the search for pacification of the country. Thank you very much. [applause] [end recording]

Spanish Welfare Minister Pays Official Visit

PY0712115690 Lima Television Peruana in Spanish 1100 GMT 6 Dec 90

[Text] Spanish Social Welfare Minister Matilde Fernandez is in our country on an official visit. In a first meeting with the press Fernandez said that her agenda included a series of social projects.

[Begin recording] [Fernandez] I will meet with several people. I realize that you want to learn more about the agenda. I will meet with your education minister [Gloria Helfer Palacios], whom I had the pleasure of meeting in Spain, where she attended a meeting of Ibero-American education ministers last week. I met with her, the Peruvian ambassador, and with members of the Peruvian delegation.

During my visit I will meet with the chairman of the Peruvian social security organization, and some of my aides will meet with those responsible for your youth and women's policies.

[Reporter] You have talked about the dedication of a center. What center are you referring to?

[Fernandez] This center is known in Spain as a rest home, which is an institution for elderly people. This center seeks to care for those people. It is also used for cultural and entertainment purposes. We will also dedicate the Spanish cultural center. [end recording]

Romanian Company To Provide Telephone Equipment

PY0912011690 Lima Television Peruana in Spanish 0100 GMT 5 Dec 90

[Excerpt] To improve telephone service in metropolitan Lima, the Peruvian Telephone Company has signed a contract with the Romanian company (Ice-Electrolum). In this contract the Peruvian company will purchase new analog equipment for the (Penta-Contax) exchanges to make telephone communications faster and easier. The new equipment will be installed at the Chorrillos, Callao, Rimac, Monterrico, Miraflores, and Lince exchanges. The contract was signed by Emilio Cassina, Peruvian Telephone Company general manager, and (Ion Idrascu), representative of (Ice-Electrolum).

[Begin recording] [Reporter] What are the terms of payment under this contract?

[Cassina] The contract with the Romanian company (Ice-Electrolum) will be paid over three years with an annual interest rate of four percent. The total amount involved is $2.5 million, which will be paid largely through a counter-trade system. In fact, 75 percent of the amount will be paid in kind by exporting Peruvian goods to Romania. [passage omitted] [end recording]

* Causes of Chronic Budget Deficit Detailed

91SM0078D Lima EL COMERCIO in Spanish 25 Oct 90 p B-9

[Text] One of the most notorious evils of our economy is drafting budgets without taking revenue into account, much less the possibility of increasing it and thus avoiding spending what one does not have.

Proof of this is the general budgets that are so fragile that they last but a matter of months after being put into effect.

The cause of this situation is the notorious "credit extensions" which the government is forced to request to finance current spending or projects, to wit, salaries and wages! Since countries do not go bankrupt, they issue money via the BCR [Central Reserve Bank].

Inflation is naturally one of the fundamental reasons why budgets are constantly in the red and make use of the "money machine" in order to allow columns showing a deficit to be solvent for the immediate present.

If we take a look at how budgets have evolved in recent years, we can say that the common denominators have been a shortage of funds, on the one hand, and credit extensions, on the other.

Approval of the budget is a story in itself. The most curious things can happen: turning back the clock so as not to exceed deadlines set by the constitution or, while discussing the next year's budget, approving credit extensions to make ends meet for the current year.

Dozen Credit Extensions

One year under the past Aprist [American Popular Revolutionary Alliance] regime, a dozen credit extensions were passed at the last minute (in one section of the discussion on the new budget) with no regard for where the money was to come from. In other words, printing money was authorized to pay current spending in a period of extreme inflation.

When one goes through the records, one finds that the practice has always been budgets with deficits. Only in 1985, the first six months of which were under the Popular Action Government, was the budget nearly balanced. One may recall that the 1985 budget amounted to 25 billion soles.

However, there was a constant deficit all the other years of the Aprista regime.

The causes or justifications were: uncontrolled inflation and the supposed revival. In the end, one minister of economy under the previous regime analyzed the word "budget" [presupuesto]: from "pre-su-puesto" to (the budget is a supposition) "supuesto".

To get back to the figures: In 1986, the "budget" amounted to 37,463,536,000 intis, but by the end of the fiscal year, 48 billion had been "executed" (spent).

The same thing occurred in 1987. Experts at the time "budgeted" 70,399,000,000 intis (about $5 billion) for the period running until December, but in the end, some 122 billion were spent.

In 1988, to continue with the budgets, the MEF [Ministry of Economy and Finance] presented a budget totaling 200 billion intis, but the figure finally came out to over 562 billion.

Last year, during the period of the most brutal inflation, the budget amounted to 1,504,000,000,000, but due to excessive spending and the inflationary spiral, the figure by the end of the fiscal year amounted to some 9.9 trillion intis.

As far as the current budget is concerned, it was approved for over 31 billion intis and we do not yet know how much has been spent, but without question there will be a repeat of the constant of other years, when one considers that the last credit extension amounts to 117 billion intis, several times greater than the total figure for the initial budget, explained by the high rate of inflation recorded last year.

At the present time, congressmen are debating the 1991 budget.

The Ministry of Economy and Finance presented one for the astronomical figure of 1,507,619,677,000, but the figure actually represents about $3 billion.

The essential problem facing congressmen on the Bicameral Budget Committee is determining before 15 December whether spending will in fact be balanced with revenue, as ordered by the constitution.

The Bicameral has concluded that realism and pragmatism must prevail when it comes time to determine the government's revenue and spending.

The Committee has criticized the minister of economy and finance for introducing a draft budget. The head of the ministry requested an extension until 20 November, which was rejected.

The danger exists that the country's general budget will not be debated in the chambers and with public opinion, as occurred last year, when it was passed by decree.

* Central Bank Credit to Farmers Deemed 'Useless'

91SM0078C Lima EXPRESO in Spanish 26 Oct 90 p 16

[Interview with agriculture "expert" Guillermo Novoa Soto by unidentified reporter; place and date not given; first paragraph is EXPRESO introduction]

[Text] Agriculture expert Guillermo Novoa Soto yesterday expressed skepticism about the fate of the announced $60-million credit from the BCR [Federal Reserve Bank] to help farmers. He believes a large share of the money will be used to finance debts of the Agrarian Bank. The following are his statements:

[EXPRESO] What is your opinion of the $60-million from the BCR to the Agrarian Bank?

[Novoa Soto] I do not think it has anything to do with farm credit. I think the sum will not reach the farmers because it will simply be used to consolidate the Agrarian Bank's cash deficit.

[EXPRESO] Why?

[Novoa Soto] The Agrarian Bank does not have the money to pay the salaries of its engineers or employees. The bank's own money has disappeared. There is no bank. According to PADI [expansion unknown] studies, the rate of decapitalization of the Agrarian Bank in 1988 amounted to 50.2 percent, with rice making up 23.4 percent of that figure, corn ten percent, and potatoes

14.9 percent. It therefore needs the $60 million for remuneration expenditures, goods, and services. According to Manuel Moreyra, the Agrarian Bank only recovered 20 percent of the money it loaned last year, no more than $200 million. This means it lost at least $150 million. What will it do with $60 million? Pay for goods and services.

[EXPRESO] But the farmers will protest.

[Novoa Soto] The farmers have a very large debt so a large share of the $60 million will be used to refinance their debts. It will not go to rural areas. The Agrarian Bank will collect the debts to finance its spending. Furthermore, what is $60 million? In the best of cases, it would give each farmer $50 a hectare. For example, tenant farmers will get nothing.

[EXPRESO] But production will drop.

[Novoa Soto] No. The rains have already come. It will be a good year. The season has already begun. They have already planted cotton and corn. The rains have come earlier than any other year. They are even planting in the mountains and those people are not waiting for the Agrarian Bank. Historically speaking, farmers have never failed to plant. What they have done is substitute crops. For example, now the area planted in wheat along the coast has dramatically expanded, as has the land in asparagus. There are also more potatoes because it was a very cold winter.

[EXPRESO] So the $60 million is useless?

[Novoa Soto] And dangerous, because the effect on monetary expansion can be important because it is money that will not be paid back. The country must realize that if the Agrarian Bank repeats the monetary expansion of 1988, the program will blow up. That year, monetary expansion through the Agrarian Bank was 25 percent of the total, a year when credit was low. That is why economists who recommend credit from the Central Bank are sabotaging the economic program, perhaps without even knowing it. There is a mercantile farming class in rural areas that has exploited that credit to which most farmers (80 percent) did not have access. The famous Andean trapezius received only six percent of the credit in 1988.

Uruguay

Government Purchases Foreign Debt From Banks

PY0912200690 Madrid EFE in Spanish 1802 GMT 8 Dec 90

[Text] Montevideo, 8 Dec (EFE)—Central Bank sources reported today that Uruguay purchased $550 million of its $1.641 billion foreign debt with international private banks at 56 percent of its value. The purchase is part of a program to reduce the foreign debt. Uruguay's overall foreign debt is $6.99 billion, which is one of the highest per capita in the world.

Uruguay submitted a program to reduce the debt to $1.4 billion; this is equivalent to 85 percent of the debt with the committee of banks, which is made up of the private creditors. This part of the debt is the most expensive for Uruguay because it was contracted at a very high interest rate.

According to the report, when the first deadline for the offer to purchase the debt expired on 7 December, 51 banks from the advisory committee showed up in New York, and it is expected that 10 more banks will show up when the second deadline expires at the end of this month to accept one of the three options presented by Uruguay.

The options accepted by the banks were the following: 33 percent of the creditors accepted the repurchase of documents at the secondary market value (56 percent of the total principal); 41 percent accepted a change of documents with an extension of the payment term to 30 years and a reduction of the interest rate to LIBOR [London Inter-Bank Offered Rate] plus seven-eighths up to 6.75 percent; and 25 percent of the creditors chose to refinance the debt to 16 years with a seven-year grace period and new financing up to 20 percent of the total.

Uruguay has received low interest credits from multinational organizations to repurchase part of its foreign debt. This will ease a transfer of resources abroad that is equivalent to one-third of Uruguay's $1.5 billion worth of exports per year.

"This is what we planned, and we are satisfied to see our expectations fulfilled," said Economy Ministry Under Secretary Nicolas Herrera, one of the negotiators, to the local press. Herrera was commenting on the success of negotiations with the creditors. He was praised by President George Bush when he visited Uruguay this week.

Editorial Warns of Guerrilla Resurgence

PY0812235690 Montevideo EL DIA in Spanish 27 Nov 90 p 2

[Editorial: "Sedition Alert"]

[Text] A common lawbreaker, who escaped from the Punta Carretas jail along with Tupamaro guerrillas in the late 1960's and then joined in their activities, has been arrested. A rather sizable armory, possibly collected through his activities as a "fence" was found in his possession. The "fence," who is now being prosecuted, was interviewed by the Tupamaro biweekly MATE AMARGO a few months ago. This interview had a highly commendatory tone.

A few days earlier, several gunmen twice engaged in gunfire with guards posted near some barracks. Even earlier, rumors were confirmed that some criminal acts—assaults and thefts of passports from a travel agency, for instance—had rather different characteristics than those that have, unfortunately, become commonplace in our capital city.

The concern that has seized the public at this time in the form of a rumor is justified. We may be experiencing the initial skirmishes of an unnoticed renewed armed agitation.

In matters related to public security, the executive branch has adhered to a policy of open information. So, at the appropriate time, it firmly denied that two bombs had exploded near the Interior Ministry.

To maintain that policy of open information, however, the executive branch needs to give the people assurances that public peace can be strictly maintained at a time when the political and social situation may be favorable for the sowers of hatred and violence to begin their harvest.

For its own good, we harbor no doubt that in the 1990's Uruguay has to free itself from the infernal trap of messianic radicalism that has inflicted so much pain on society. Nevertheless, we do not want to deceive ourselves to the extreme of not paying any attention to the silly braggings about—if not public praises of—the "armed struggle" that the most hidebound wing of the Broad Front indulges in every so often. Because we know that the din of this obnoxious preaching could find some susceptible ears, we want the democratic system to be prepared to prevent this evil; the sooner it is confronted, the sooner it will be neutralized.

Venezuela

Perez Toasts Bush, Comments on Trade, Aid, Oil

PA0812034190 Caracas Venezolana de Television Canal 8 in Spanish 0204 GMT 8 Dec 90

[Speech by Venezuelan President Carlos Andres Perez toasting U.S. President George Bush on 7 December at La Casona presidential palace in Caracas—recorded]

[Text] Welcome to Venezuela, Mr. President. Welcome to a country that is a friend of the United States. Welcome to a land that throughout time has maintained a very old and deeply-rooted relationship with your country in the intellectual, human, economic, and political arenas.

You are concluding in Venezuela your tour of five Latin American nations. Never before has the moment been more propitious to meet again to review our criteria. Latin Americans have very serious problems to resolve and very complex challenges to face. We are convinced that we cannot do this alone and, indeed, that is not our plan.

I say that you come at a propitious moment, in fact, at an especially propitious moment, because your visit coincides with a Latin American moment of great decision, of gaining awareness of the world in which we live, and opening to international cooperation and exchanges under clear and well-defined conditions.

You come to Venezuela, Mr. President, at a time of profound restructuring of its economy and a liberalization of trade. This is an unprecedented decision to modernize and update our country to make it more competitive and open, as well as to integrate it into the great world currents of trade under well-understood conditions of reciprocity.

This is not an easy task. We know the obstacles we must overcome, the temporary sacrifices it imposes on our people. At the same time, however, we hold the conviction that we must either act in this manner or condemn Venezuela to being an anachronistic island in the regional and world concert of nations. We are prepared to confront these challenges and we strive to persuade those who doubt something that is confirmed by reality. The alternatives are few. The prevailing world trend is for free trade, competitiveness, and the overall search for a system without discrimination in which all, large and small, can play a decorous role and in which all people can look trustingly toward the future—in short, a system in which all of us may develop our capabilities.

You have come to Venezuela, to Latin America, at a unique moment in mankind's history. In 1989 we witnessed changes so important and unforeseeable that analysts were not able to hide their surprise.

History unleashes unexpected and irreversible changes. The year 1990 has been, for many countries, a year of transition to liberty and democracy. Nothing is as difficult as transitional periods and nothing is so plagued with danger and hazard. Narrow-minded nationalism and religious intolerance emerge. These are two different factors that are fed by dogmatism that can easily be manipulated by the ever-present demagogues.

Replacing the hazardous years of the cold war with a stable world order where democracy and liberty—man's dignity—will not be endangered, will depend on the foresight and the attitude of today's statesmen and on the degree of solidarity expressed by the large countries. This world would purge hegemony and subordination from international relations.

Your visit to our country, Brazil, Uruguay, Argentina, and Chile makes us believe that relations between the northern and southern parts of our hemisphere are being considered on the U.S. agenda, and this is important. Your visit makes us believe that events in other parts of the world, regardless of their economic and political importance, will not divert your country's attention and commitment from continental and Caribbean Latin America. Your visit tells us that the consolidation of big economic blocs in other parts of the world make it necessary to integrate our hemisphere for world equilibrium. Your visit tells us that the consolidation of such blocks means that Latin America will not be left out, condemned to sustain the extraordinary force of those centers, which could at any given moment act in a way detrimental to the strength of the continent and to our aspirations for integration and participation.

We propose to bury doubt and prejudice on both sides of the Rio Bravo and to speak the new language of understanding, a new type of relations.

Circumstances heighten and demonstrate that the Bush Initiative for the Americas is most important and mutually suitable. Its merits match the possibilities it provides. One of its merits is that it is modern and looks to the future. This is not a paternalistic offer. This is important. This is an opportunity to share and as such it contains challenges and commitments.

This is an initiative that includes various options and leaves the door open for self-improvement. This initiative starts from a concept of dynamism that we understand perfectly well. Our countries may negotiate individually or based on their integration plans. This initiative undoubtedly encourages Latin America's lifelong integrationist ambitions and will allow us to make progress toward resolving differences that would slow our integrationist process.

Mr. President, I sincerely believe that your initiative has clearly opened the way for resolving a historic misreading that has so often created confusion and placed distance between us, a problem that is still being fed by anti-American remnants that produce the feeble protests and noise you may have encountered. Those protests are promoted by people whose frozen minds still live in the days of old and long since overcome confrontations that contrast with our people's desire for understanding and with the people's rejection of obsolete positions of hatred and antagonism that were promoted by the cold war.

What we want now, in this world blossoming with conciliation and solidarity, is an America committed to liberty and democracy and integration among the countries north and south of the Rio Bravo.

Our negotiations with the office of the U.S. representative for commercial relations are going well. Soon we will be able to sign an agreement on commerce and investment. This will be, in our opinion, an important step toward new and expanded negotiations.

The world has been closely following the difficult and complex talks of the Uruguay round of GATT, which is trying to turn GATT into a very significant tool for commercial relations. We strongly support the U.S. position in confronting the community's obstinacy with regard to farm subsidies.

It hurts us to learn that a few hours ago it was announced in Brussels that the Uruguay round ended with an unfortunate impasse on the negotiations on agriculture when the last effort for a compromise, which was presented by Sweden, failed. That effort called for an homogeneous 30-percent reduction in subsidies and customs protection for agricultural activities.

This has never happened before and it is a source of concern for us, a country involved in a process of adjustments that wants to insert itself into world trade through an open economy and the search for greater access to markets.

I believe it is suitable to tell you, Mr. President, that once the multilateral dialogue is renewed—when the mood that prevailed in this round settles—all of us, but especially those with more responsibilities in the functioning of the commerce system, must make sure that this system becomes more intelligible and more open to participation by all the members of the international community.

Meanwhile, we expect greater understanding from the United States regarding unilateral decisions that hinder Latin American farm exports and other raw materials and manufactured goods.

Venezuela is greatly pleased that your visit comes at the very moment when we have concluded our debt negotiations under the positive terms of the Brady Plan, named after your treasury secretary, whom we are pleased to say hello to today and congratulate for being a member of your retinue.

We recently signed important agreements with OPIC [Overseas Private Investment Corporation] and the Treasury Secretariat to fight money laundering and help repress drug trafficking. In this regard, we are willing to broaden our cooperation and deepen our actions as we agreed at the recent meeting of the Group of Rio in Caracas. The only thing left for us is to decide to seriously bring into practice the agreements signed in Cartagena by the presidents of Bolivia, Colombia, and Peru, and you, which we included [acogimos] in the Document of Peace at the Andean Group's Presidential Council on 30 November.

We have taken consistent steps to restructure our economy by opening Venezuela to trade and by granting guarantees and opportunities to foreign investment, because of the quality of our country and our natural resources. Mr. President, we are pleased to confirm that our expectations have been neither in vain nor illusory and that the response of large investors is in keeping with what our country had expected. Important U.S. companies are already among us sharing risks and opportunities. In my daily agenda I frequently exchange views with businessmen from around the world who come to explore and finalize their investment projects in Venezuela.

The Persian Gulf crisis, which we hope will be resolved through negotiations, has been a difficult test for your country and the world, an obvious challenge to the universal hope for peace and conciliation. Our solidarity has been firm. We approve of the UN decisions and the prudence displayed by your government to spare humanity from the catastrophe of war provoked by the attempt to erase a state that is universally recognized on the map of nations. The Middle East conflict has underscored the importance of Venezuela as a petroleum producing country and leads us to think that now, as never before, our thesis on the energy security of the hemisphere is more evident and valid. Our country has large proven petroleum reserves. We have diverse energy possibilities; they include oil shale and gas. Therefore, we must assign corresponding importance to this topic.

We have not—as some suspicious observers have suggested—taken advantage of this Persian Gulf crisis. We are a responsible country and know the significance of the unexpected highs and lows in petroleum prices. This is why we have advocated prices that also reasonably take into account the producers' interests. Among them is the significant factor of financing that is inherent in the exploitation of petroleum to increase production capacity. We have called for a dialogue between producers and consumers that would protect us from the manipulations of the market that cannot be justified without falling into the fundamentalist dogmatism of free trade under which no commercial practices that run counter to the vital interests of our countries should hide.

We advocate stable oil prices. In our case, we also invoke security concerns, which are essential for society, a factor of resolutely indispensable trustworthiness in international transactions. Our oil relationship with the United States has existed since the 1920's. For more than 70 years, that relationship has been totally reliable. That relationship has been diversified and consolidated in recent days. There is no doubt that future prospects make us view this relationship as an essential element of trade.

We have one of the most modern oil industries in the world. This permits us to look to the future of Venezuela, the future of our partners, and the future of our clients with confidence. When we speak of the price of petroleum and its unforeseen and speculative fluctuations due to a lack of understanding, now possible between producers and consumers, we think, above all, of the poorest countries of our region and what it means for their recovery.

With Mexico, we have endeavored, through the San Jose agreement, to avoid the severe consequences of the absence of this program of cooperation. We have an old relationship of friendship with the countries of Central America and the Caribbean. We will work with their governments, Mr. President, so that peace, liberty, and democracy, will prevail and so that the existence of human rights will be consistent with their way of life. No effort will be in vain and no effort will be hasty in the search for peace in Central America.

There are old ties between U.S. democracy and Venezuelan democracy. Your visit to our country, Mr. President, and your talks with the Venezuelans of all economic and political sectors and with your fellow citizens who live here and who have expressed their support for Venezuela's efforts to achieve recovery, will contribute not only toward strengthening and consolidating them, but also toward fully opening the unlimited prospects of friendship and cooperation between the United States and Venezuela.

We regard your visit, Mr. President, as a historic landmark in the friendship between our countries. We hold close your understanding and we view your consistent efforts to link ties between the two Americas, following the march of history, which has opened the doors to a new world, of which you are a protagonist. As you know, the destiny of the United States is linked to the destiny of Latin America and the Caribbean. All are indispensable to integrating this new world, as it approaches its 500th year, the dawn of which breaks on this pressing and significant final decade of the last century of the second millennium of humanity.

President Bush, we count on your friendship and initiative. You can count on our sincere and dignified friendship. [applause]

Perez Asks Bush To Cut Trade Barriers

PA0812023490 Hamburg DPA in Spanish 0031 GMT 8 Dec 90

[Text] Caracas, 7 Dec (DPA)—Venezuelan President Carlos Andres Perez tonight asked his U.S. counterpart, George Bush, for U.S. support to confront the protectionist attitude of the industrialized powers and hailed Washington's position in the GATT negotiations on a new world trade order.

"We expect greater understanding from the United States with regard to unilateral decisions that hinder Latin American farming exports and other raw materials and manufactured goods," Perez stated tonight during a toast to Bush at La Casona presidential palace on the outskirts of Caracas.

After terming the failure of the Uruguay round of the GATT negotiations "regrettable" and "a cause for concern," Perez insisted on the need to create a "clear trade system in which all can participate."

"We strongly support the U.S. position in confronting the (European) Community's obstinacy with regard to farm subsidies."

The Venezuelan president announced the upcoming signing of an agreement on trade and investment with the United States within the framework of the Initiative for the Americas, which he described as a "clear solution and a historic re-encounter" between Latin America and the United States.

Caracas is the last leg of President Bush's six-day tour of five Latin American countries. Prior to this, Bush visited Brazil, Uruguay, Argentina, and Chile. He will return to Washington tomorrow.

The principal topic of Bush's visit to Venezuela, described as a "historic landmark of friendship," is the oil supplied to the United States. Bush wants to make sure that Venezuela will supply the strategic oil reserves needed by the United States. In that sense, Perez emphasized that the Persian Gulf crisis has increased Venezuela's importance as an exporter of crude.

Bush-Perez News Conference on Gulf, Oil

PA0812182990

[Editorial Report] Caracas Venezolana de Television Canal 8 in Spanish at 1555 GMT on 8 December carries live a 28-minute joint news conference by U.S. President Bush and Venezuelan President Carlos Andres Perez.

Bush makes a two-minute opening statement and begins taking questions from reporters. Perez takes two questions from reporters. Asked whether he supports the use of force in the Gulf, Perez responds: "Venezuela has categorically expressed its support for the UN resolutions and has congratulated President Bush for the prudent decision, following the United Nation's latest resolution, to invite the Iraqi foreign minister to visit the United States and to send Secretary of State Baker to Iraq. Venezuela, as a small country, cannot accept that the borders of such countries can be simply wiped away by force. The restoral of freedom and sovereignty to Kuwait is a commitment by all countries of the world."

Perez is also asked if Venezuela could divert its oil windfall profits to smaller countries that are suffering. He responds: "Venezuela and Mexico are already doing this with Central American and Caribbean countries and, in response to the Persian Gulf crisis, we have increased financing to those areas. Regrettably, we are unable to do the same with the rest of our Latin American clients because Venezuela has its own difficulties. In any case, our excess oil profits will not be spent. We will deposit them into a macroeconomic stabilization fund which will serve as a reserve in the event that oil prices drop in the future. I have insisted to President Bush that we should seek an agreement between producers and consumers because no argument will convince speculators that they should sell oil at fair prices. Today's oil prices are influenced by speculation and not by scarcity in the oil market."

Technological Cooperation Accord Signed With U.S.

*PA0812191890 Paris AFP in Spanish 1459 GMT
8 Dec 90*

[Text] Caracas, 8 Dec (AFP)—It has been officially reported that the United States and Venezuela today signed a technological and scientific cooperation agreement, the only one expected during President George Bush's visit. Reinaldo Figueredo, Venezuelan deputy foreign minister, and Allan Bromley, White House adviser on science and technology, signed the agreement.

The eight-point agreement and an annex, covering copyright and the allotment of confidential commercial information rights, is intended "to promote and strengthen relations between the two countries' scientific and technological communities." The agreement provides for the exchange of scientific and technological information, joint research projects, scientific and technological exchanges, seminars, and other forms of cooperation.

The United States and Venezuela will facilitate the entry to and departure from their countries for all personnel involved in the program, and the equipment they will use to perform their duties will be duty-free.

The agreement, which replaces the agreement signed in 1980, will be valid for five years and can be extended.

The U.S. Department of State and the Venezuelan Foreign Ministry and National Council of Technological Research (CONICIT) are in charge of enforcing the agreement.

Likewise, a joint consultation and review committee for the area has been appointed, which will include representatives of the Venezuelan Foreign Ministry and the U.S. Department of State.

University Students Protest Bush Visit

*PA0712235490 Paris AFP in Spanish 2243 GMT
7 Dec 90*

[Text] Merida, Venezuela, 7 Dec (AFP)—At least seven policemen were wounded in violent university disturbances that broke out for the second consecutive day here today to protest the visit of U.S. President George Bush to Venezuela. Bush arrived in Caracas at 2005 GMT.

The downtown part of the capital was the scene of today's violence. The downtown sector of the capital was the target of looting and violent clashes between students and police on 6 December. According to press reports, several rowdy demonstrators set fire to two trucks.

Clashes also took place at the School of Medicine of the University of the Andes (ULA), the principal university in the southwestern part of the country, where hooded demonstrators opened fire on national guardsmen, wounding at least one of them. Six national guardsmen were wounded in the demonstrations, some by bullet impact, according to the local newspapers.

There were also anti-Bush demonstrations that did not escalate in Caracas and Maracay, 60 km west of the capital. Students of the Teaching Institute of Caracas detained [detuvieron] two national guardsmen who infiltrated their march, the Radio Rumbos reported.

The capital was overtaken by 6,000 policemen, who closed off all the entrances to the Central University of Venezuela (UCV), located in the strategic central-eastern area, the site of yesterday's disturbances. As a result, traffic was tied up during late afternoon.

PETROVEN To Expand Crude Oil Refining Capacity

*PA0912132390 Madrid EFE in Spanish 0506 GMT
1 Dec 90*

[Text] Caracas, 30 Nov (EFE)—The Venezuelan Petroleum Company (PETROVEN) reported today that it will earmark $5 billion to increase its refining capacity for this decade. Investments will increase the current refining capacity of PETROVEN's four refineries of 1.2

million barrels per day by about 400,000 barrels per day, and will allow for the construction of two new refineries. The $5 billion will be used to improve the quality of current refineries and for hydrocarbon industrialization programs.

Venezuela has four large oil refineries in the country and also has installations in the United States, Sweden, Germany, Bonaire, and rents the Isla refinery in Curacao.

The PETROVEN report says that about $3 billion will be used to expand the Puerto La Cruz refinery, located about 400 km east of Caracas, and to build new plants in that area.

In the last 15 years PETROVEN has invested about $10 billion to improve oil refinement. During this 10-year period, PETROVEN processed an average of 4.846 billion barrels of crude oil, with a refining average of 911,000 barrels per day, according to the report.

Of the total amount of crude oil refined, 1.325 billion barrels were gasoline; 1.306 billion barrels distillates; 1.994 billion barrels residues; and 221 million barrels other products.

Guyana

Ambassador to U.S. Recalled, Posted to Ministry

FL0812184090 Bridgetown CANA in English 1718 GMT 8 Dec 90

[Text] Georgetown, Guyana, Dec 8, CANA—Veteran Guyana diplomat Dr. Cedric Grant has been recalled as ambassador to the United States and assigned "temporary special duties" in the Foreign Affairs Ministry, amid growing speculation here that he will be named shortly as Guyana's new foreign minister.

This cabinet post became vacant late last month when Rashleigh Jackson resigned after 12 years as foreign minister following the arrest of his son Martin Lawrence Jackson on a marijuana possession charge. Jackson has since been appointed to head the International Relations Division of the ruling People's National Congress (PNC) secretariat.

Grant also served as Guyana's envoy to Zambia and the United Kingdom. Political analysts see his current assignment in the Foreign Affairs Ministry as preparation for possible elevation to ministerial rank. However, no word has been forthcoming from the government. President Desmond Hoyte assumed responsibility for foreign affairs after Jackson resigned.

Yugoslavia To Close Embassy To Cut Costs

FL0812194590 Bridgetown CANA in English 1928 GMT 8 Dec 90

[Text] Georgetown, Guyana, Dec 8, CANA—Yugoslavia is closing its embassy here as part of cost-cutting measures by the Belgrade government, the embassy said. No date was given for the closure of the embassy which has been operating here for the past 14 years.

The closure will affect three other Caribbean Community (Caricom) countries—Trinidad and Tobago, Barbados, and Grenada—which were served by the embassy. The STABROEK NEWS reported this week that the cost-cutting exercise could affect nearly 15 other locations.

The paper quoted a Yugoslav official as saying the pull-out from Guyana was only "temporary" and that the longstanding and excellent relations between the two countries would continue. Guyana and Yugoslavia established diplomatic relations after Guyana gained independence 24 years ago.